

TALON RESOURCES, INC.

375 S. Carbon Ave. (A-10), Suite 101, Price, Utah 84501
Phone: (435) 637-8781 Fax: (435) 636-8603

Fax Transmittal Cover Sheet

Date: 5/19/00

Number of pages: 2

**Message To: Mr. Mike Hebertson – Division of Oil, Gas, and Mining
Mr. Carl Lesher – Lesher Consulting, Inc.**

Telephone Number: 1-801-538-5337

**Fax Number: 1-801-359-3940
1-303-238-2718**

Message From: Don Hamilton

Mike:

Following is the information you requested for the proposed Klabzuba Oil and Gas Company well presite. We appreciate the opportunity to complete an onsite prior to the submission of an APD.

Please feel free to contact me if you need additional information prior to the onsite.

Don

KLABZUBA OIL AND GAS COMPANY

State 19-14-8

Proposed Location: 2000' FNL 1850' FWL, SE/4 NW/4 (N 459920, E 2120500)
Section 19, T14S, R8E, Carbon County, Utah
Lease Ownership: State
Lease Designation: ML-27908
Surface Ownership: State surface
Comments: The proposed well site just outside of Gordon Creek Wildlife Management Area lies on a north facing gentle gravel covered slope approximately 300' off of the main Class D county road. Travel is along the Haley Canyon road approximately 11 miles beyond the railroad track crossing. Numerous P&A and TA wells are nearby.

493 767 1
438 7614 N

Burnside 29-14-8

Proposed Location: 500' FNL 1900' FEL, NW/4 NE/4 (N 456500, E 2127400)
Section 29, T14S, R8E, Carbon County, Utah
Lease Ownership: Lannie K. Burnside, 32W 100 N Huntington, 435-687-2260
Lease Designation: Fee Tract
Surface Ownership: Lannie K. Burnside, 32W 100 N Huntington, 435-687-2260
Comments: The proposed well site outside of Gordon Creek Wildlife Management Area lies within a sagebrush flat at the base of a large gravelly hill approximately 100' off of the main Class D county road. Travel is along the Haley Canyon road approximately 8 miles beyond the railroad track.

496 987 E
436 4561 N

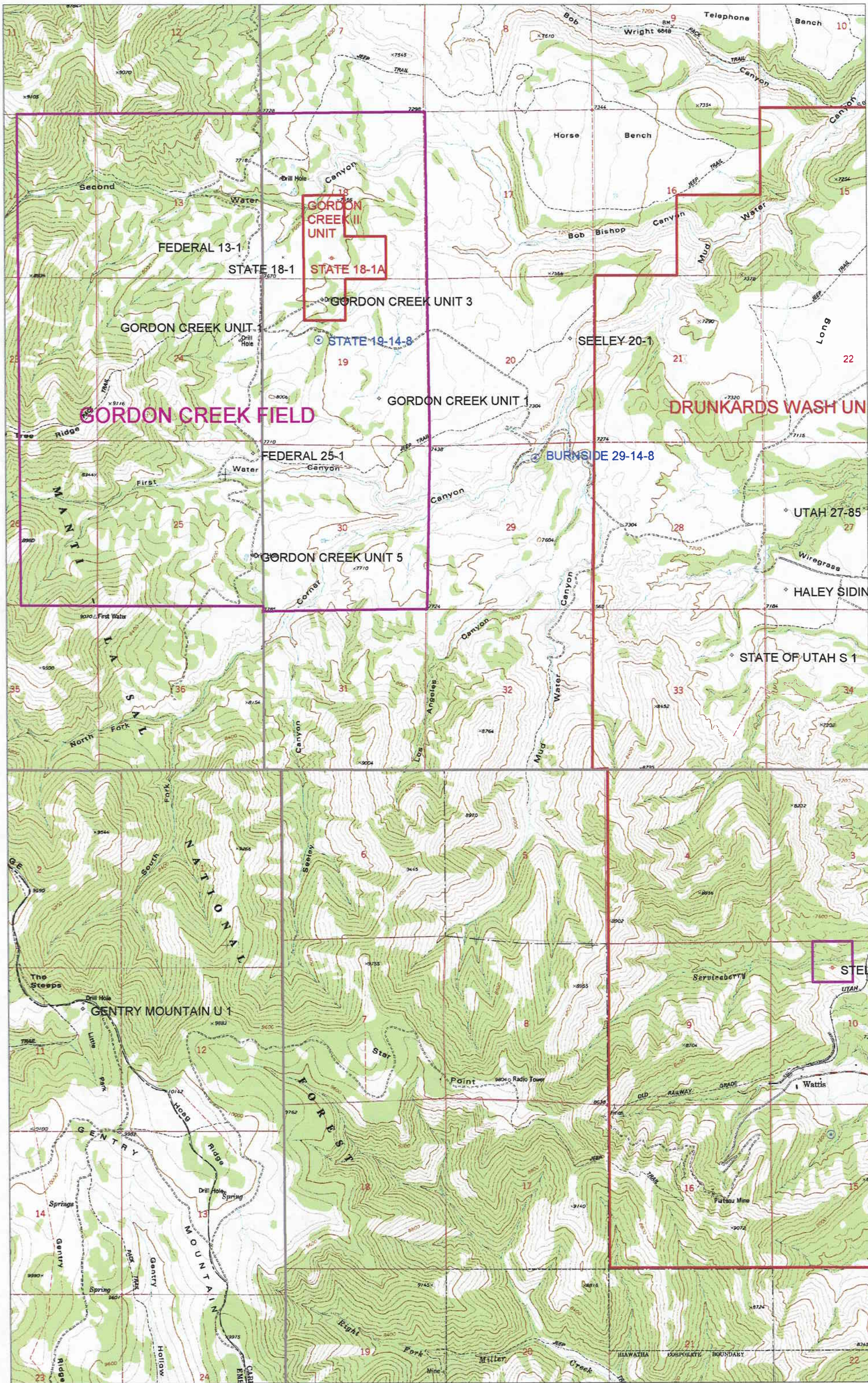
KLABZUBA OIL AND GAS

Preferred Casing Program

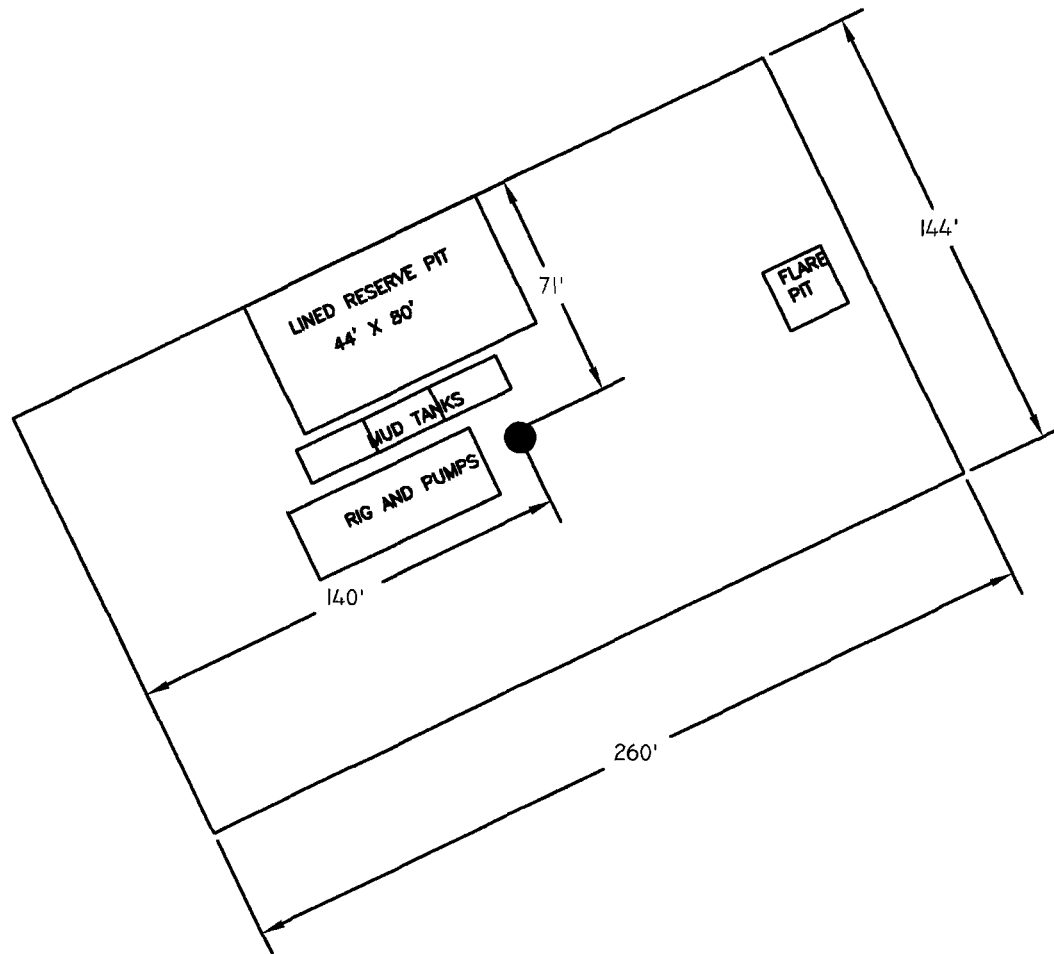
Casing	Description	Setting Depth
16"	conductor	40' – 60'
10-3/4"	surface	350'
7"	intermediate	2000' (if drilling without air)
4-1/2"	production	TD

Alternate Casing Program

Casing	Description	Setting Depth
16"	conductor	40' – 60'
13-3/8"	surface	350'
8-5/8"	intermediate	2000' (if drilling without air)
4-1/2 to 5-1/2"	production	TD



COUNTY ROAD



c:\p150 West\p150\p150.jpg

Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Pioche, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603

KLABZUBA OIL AND GAS
LOCATION LAYOUT
Section 19, T14S, R8E, S.L.B.&M.
GC, STATE 19-14-8

Drawn By: D. HAMILTON	Checked By: L.W.J./D.H.
Drawing No. A-2	Date: 05/25/00
	Scale: 1" = 50'
Sheet 2 of 2	Job No. 131

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. Lease Designation and Serial Number: MI-27908	
B. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. If Indian, Allottee or Tribe Name: N/A	
2. Name of Operator: Klabzuba Oil and Gas, Inc.		7. Unit Agreement Name: N/A	
3. Address and Telephone Number: 717 17th St., Ste. 1435, Denver, CO 80202 1-303-299-9097		8. Farm or Lease Name: Gordon Creek, State	
4. Location of Well (Footages) At Surface: 1948' FNL, 1886' FWL At Proposed Producing Zone: 4382629N 493793E		9. Well Number: 19-14-8	
14. Distance in miles and direction from nearest town or post office: 14.1 miles west of Price, Utah		10. Field or Pool, or Wildcat: Gordon Creek	
15. Distance to nearest property or lease line (feet): 1886'		11. Qtr/Qtr, Section, Township, Range, Meridian: SE/4 NW/4, Section 19, T14S, R8E, SLB&M	
16. Number of acres in lease: 395.31 acres		12. County: Carbon	
17. Distance to nearest well, drilling, completed, or applied for, or 1300'		13. State: Utah	
18. Proposed Depth: 4000'		19. Number of acres assigned to this well: 40	
20. Rotary or cable tools: Rotary		21. Elevations (show whether DF, RT, GR, etc.): 7628' GR	
22. Approximate date work will start: September, 2000			

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8" J-55 ST&C	36	550'	300 sacks Class G cement + 2% CaCl ₂ + 0.25 pps cellophane
(See Exhibit "D" Section 4 for Intermediate and Production casing and cement program details, for various conditions encountered during drilling.)				

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

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24.

Name & Signature: Don S. Hamilton Don S. Hamilton Title: Agent for Klabzuba Date: 7-21-00

(This space for state use only)

API Number Assigned: 43-007-30724

Approval:

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 02-12-01
By: [Signature]

Range 8 East

(EAST - 5245.68')

N88°58'21"E - 2655.62'

Location:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE. THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Elevation:

BASIS OF ELEVATION OF 7438' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 19, TOWNSHIP 14 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE WATTIS QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SE1/4 NW1/4 OF SECTION 19, T14S, R8E, SLB&M, BEING 692.18' NORTH AND 1886.04' EAST FROM THE WEST QUARTER CORNER OF SECTION 19, T14S, R8E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



GRAPHIC SCALE

0 500' 1000'

(IN FEET)

1 inch = 1000 ft.



Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603

KLABZUBA OIL & GAS
GC, STATE 19-14-8
Section 19, T14S, R8E, S.L.B.&M.
Carbon County, Utah

Drawn By:
J. STANSFIELD

Drawing No.
A-1

Sheet **1** of **4**

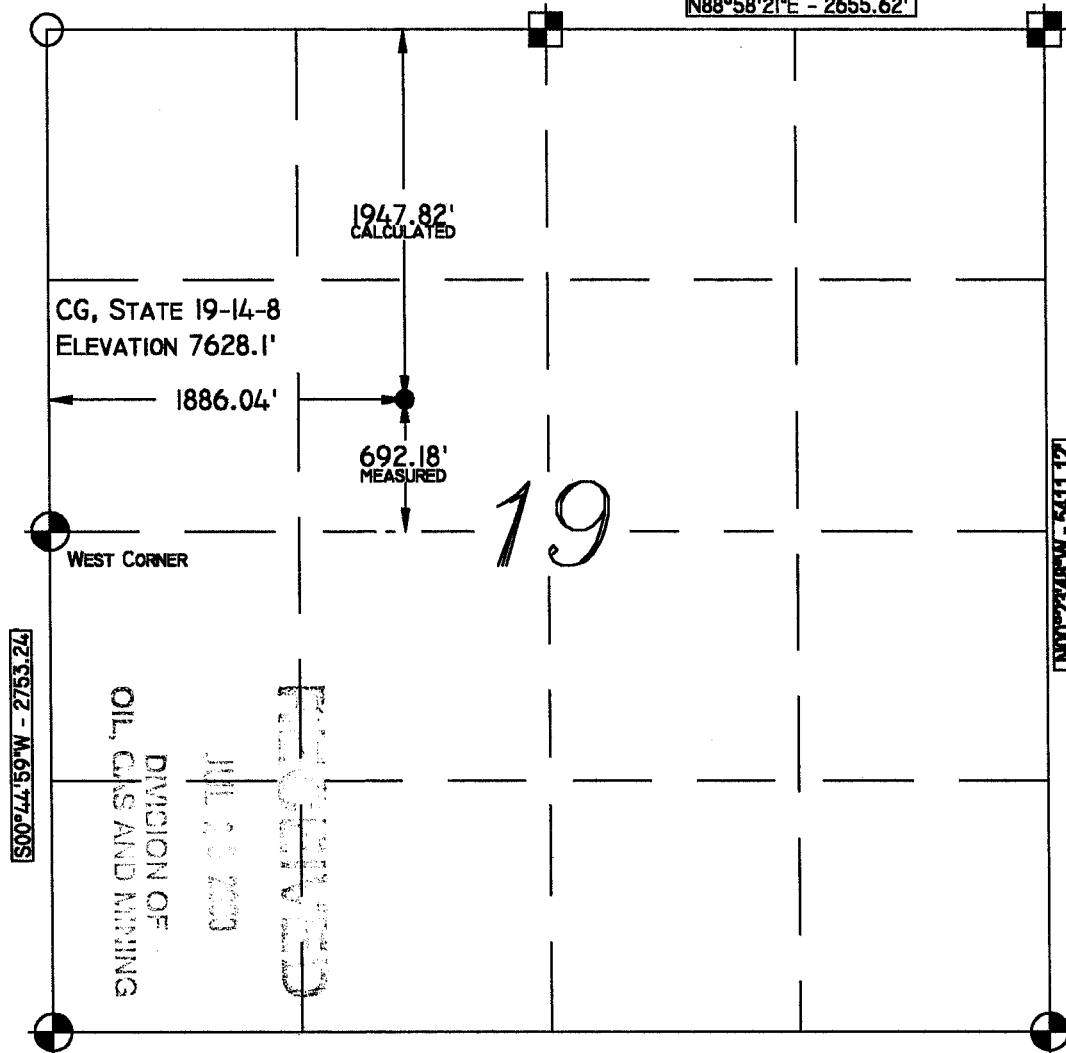
Checked By:
L.W.J. / A.J.S.

Date:
07/05/00

Scale:
1" = 1000'

Job No.
131

Township 14 South



Legend

- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO
- GPS Measured

⊠ Marked Sandstone (Found)

S89°55'03"E - 5401.5'

(EAST - 5253.6')



Talon Resources, Inc.

Service, Quality and Accuracy

375 South Carbon Avenue A-10
Suite 101
Price, Utah 84501
Phone: 435-637-8781
435-637-5032 Ext 710/711

Cell: 801-650-1401
801-650-1402
Fax: 435-637-7336
Email: talon@castlenet.com

ORIGINAL

July 21, 2000

Mr. John Baza
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill — Gordon Creek, State 19-14-8, Carbon County, Utah
1948' FNL, 1886' FWL, Section 19, T14S, R8E, SLB&M.

Dear Mr. Baza:

On behalf of Klabzuba Oil and Gas, Inc. (Klabzuba), Talon Resources, Inc. respectfully submits the enclosed original of the *Application for Permit to Drill (APD)* for the above referenced well. Included with the APD is the following supplemental information:

- Exhibit "A" - Survey Plats and Layouts;
- Exhibit "B" - Location Maps;
- Exhibit "C" - Drilling Site Layout;
- Exhibit "D" - Drilling Program;
- Exhibit "E" - Multi Point Surface Use Plan;
- Exhibit "F" - Typical Production Site Layout;
- Exhibit "G" - Typical BOP Diagram;
- Exhibit "H" - Typical Choke Manifold Diagram;
- Exhibit "I" - Typical Road Cross Section.

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Please accept this letter as Klabzuba Oil and Gas's written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Mr. Paul Urban of Klabzuba if you have any questions.

Sincerely,

Don S. Hamilton

Don S. Hamilton

Environmental Manager / Project Coordinator

cc: Mr. Paul Urban, Klabzuba
Mr. Mark Caldwell, Klabzuba
Mr. Dave Levanger, Carbon County Planning and Zoning
Klabzuba Well File

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EXHIBIT "D"
DRILLING PROGRAM

Attached to UDOGM Form 3
Klabzuba Oil and Gas, Inc.
Gordon Creek, State 19-14-8
SE/4 NW/4, Sec. 19, T14S, R8E, SLB & M
1948' FNL, 1886' FWL
Carbon County, Utah

1. The Geologic Surface Formation

Emery Sandstone Member of the Mancos Shale

2. Estimated Tops of Important Geologic Markers

Mancos Blue Gate Marker: 3325'

3. Projected Gas & H2O zones

Mancos Gas Zone:	2100' – 2875'
Ferron Sands:	3420' – 3740'

Groundwater may be encountered within the Emery Sandstone Member of the Mancos Shale. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 2000 psi.

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4. The Proposed Casing and Cementing Programs

The following casing and cement program will be used if mud is necessary above 2000'

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
12-1/4"	550'	9-5/8"	36# J-55 ST&C	New
8-3/4"	2000'	7"	20# J-55 ST&C	New
6-1/4"	1950' - 4000'	4-1/2"	10.5# J-55 ST&C	New

Cement Program -

Surface Casing: 300 sacks G + 2 % CaCl₂ + 0.25 pps cellophane flakes;
Weight: 15.8 #/gal
Yield: 1.15 cu.ft/sk
Excess: 100%

Intermediate Casing: 90 sacks 50/50 pozmix + 8% gel + 10% salt + 0.25 pps cellophane flake
Weight: 12.5 #/gal
Yield: 2.08 cu.ft/sk
Excess: 25%
60 sacks 10-1 RFC with 0.25 pps cellophane flakes
Weight: 14.2 #/gal
Yield: 1.61 cu.ft/sk
Excess: 25%

Production Casing: 165 sacks 10-1 RFC with 0.25 pps cellophane flakes
Weight: 14.2 #/gal
Yield: 1.61 cu.ft/sk
Excess: 25%

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The following casing and cement program will be used if mud is not necessary above 2000'

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
12-1/4"	550'	9-5/8"	36# J-55 ST&C	New
8-3/4"	4000'	5-1/2"	15.50# J-55 ST&C	New

Cement Program –

Surface Casing: 300 sacks G + 2 % CaCl_2 + 0.25 pps cellophane flakes;
Weight: 15.8 #/gal
Yield: 1.15 cu.ft/sk
Excess: 100%

Production Casing: 230 sacks 50/50 pozmix + 8% gel + 10% salt + 0.25 pps cellophane flake
Weight: 12.5 #/gal
Yield: 2.08 cu.ft/sk
Excess: 25%
395 sacks 10-1 RFC with 0.25 pps cellophane flakes
Weight: 14.2 #/gal
Yield: 1.61 cu.ft/sk
Excess: 25%

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

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5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 3000 psi BOP will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-550	12-1/4" hole	Drill with air, will mud-up if necessary.
550-TD	8-3/4" hole	Drill with air, will mud-up if necessary. 400 psi @ 1500-1800 Scf.

7. The Testing, Logging and Coring Programs are as followed

550-TD Gamma Ray, Density, Neutron Porosity, Induction, Caliper

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in The area nor at the depths anticipated in this well. Bottom hole pressure expected is 1700 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: September 2000.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

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EXHIBIT "E"
Multipoint Surface Use Plan

Attached to UDOGM Form 3
Klabzuba Oil and Gas, Inc.
Gordon Creek, State 19-14-8
SE/4 NW/4, Sec. 19, T14S, R8E, SLB & M
1948' FNL, 1886' FWL
Carbon County, Utah

1. Existing Roads

- a. The proposed access road will encroach the gravel surfaced Haley Canyon Road under Carbon County Maintenance in which approval has been received. The approach will be constructed consistent with Carbon County Road specifications.
- b. We do not plan to change, alter or improve upon any other existing state or county roads. Existing roads will be maintained in the same or better condition. See Exhibit "B".

2. Planned Access

Approximately 300' of new access is required (See Exhibit "B")

- a. Maximum Width: 20' travel surface with 27' base
- b. Maximum grade: 10%
- c. Turnouts: None
- d. Drainage design: 2 – 18" culverts will be required. Water will be diverted around the road as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Existing trees will be left in place where practical to provide screening and buffer areas.
- g. Boulders turned up during construction of the pad and road will be placed south of the planned access to block the existing hunting road and prevent vehicle access to the south.

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3. Location of Existing Wells

- a. See Exhibit "B". There are no proposed and four existing wells within a one mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will be as shown on Exhibit "H".
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from a local water source Price River Water Improvement District (a local source of municipal water).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. As the well is expected to be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will be lined with a synthetic liner. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

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- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tanks until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception trailers to be located on the drill site.

9. Well-site Layout

- a. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Attachment "C".
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

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- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existed conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the well-site is to be abandoned, all disturbed areas will be recontoured to the natural contour as is possible.

11. Surface Ownership

- a. The well-site and access road will be constructed on lands owned by the State Institutional and Trust Land Administration. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is wildlife habitat. The nearest dwelling is approximately 7 miles east. Nearest live water is Second Water Creek 4,000' north.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The back-slope and fore-slope will be constructed no steeper than 4:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations shall be on the well-site during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

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13. **Company Representative**

Paul Urban / Mark Caldwell
Klabzuba Oil and Gas, Inc
717 - 17th Street
Manville Plaza, Suite 1435
Denver, Colorado 80202
1-303-382-2170

Drilling Consultant

Carl Leshner
Leshner Consulting, Inc.
10390 West 34th Avenue
Wheat Ridge, Colorado 80033
1-303-238-5622

Permitting Consultant

Don Hamilton
Environ. Man. / Proj. Coord.
Talon Resources, Inc.
375 South Carbon Ave. (A-10)
Price, Utah 84501
1-435-637-8781

Excavation Contractor

Kimball Rasmussen
Foreman
Nielson Construction, Inc
North Loop Road, North of Huntington
Huntington, Utah 84528
1-435-687-2494

Mail Approved A.P.D. To:
Company Representative

14. **Certification**

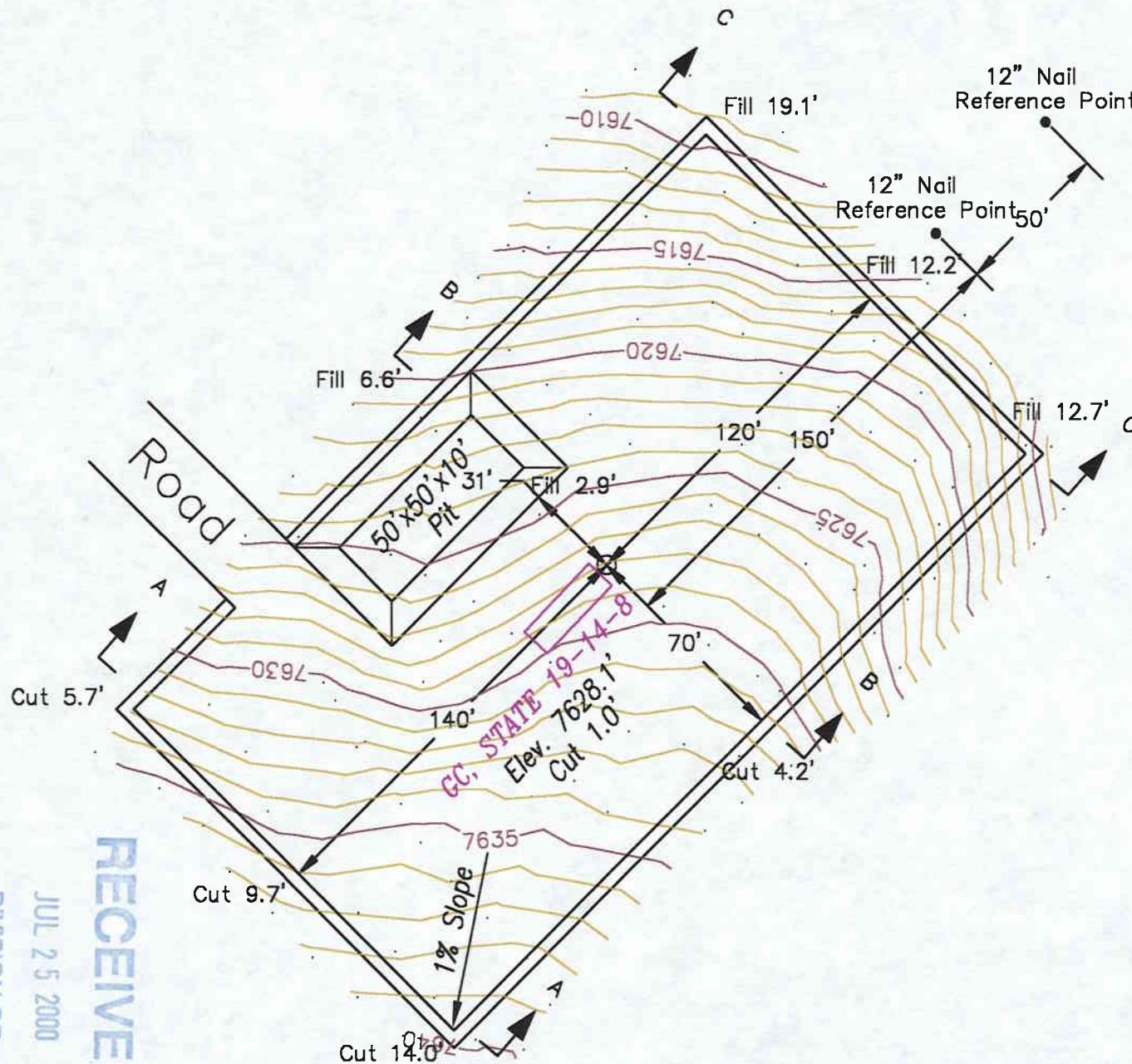
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Klabzuba Oil and Gas, Inc. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

7-21-00
Date

Don S. Hamilton
Don S. Hamilton
Environmental Manager / Project Coord.
Talon Resources, Inc.

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CIL, OCS AND LITHIO

Elevation of Ungraded Ground at Location Stake = 7628.1'
 Elavation of Graded Ground at Location Stake = 7627.6'



Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603

**KLABZUBA OIL AND GAS
 LOCATION LAYOUT**
 Section 19, T14S, R8E, S.L.B.&M.
 GC, STATE 19-14-8

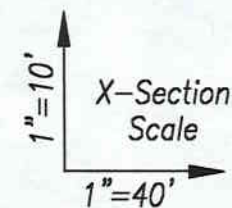
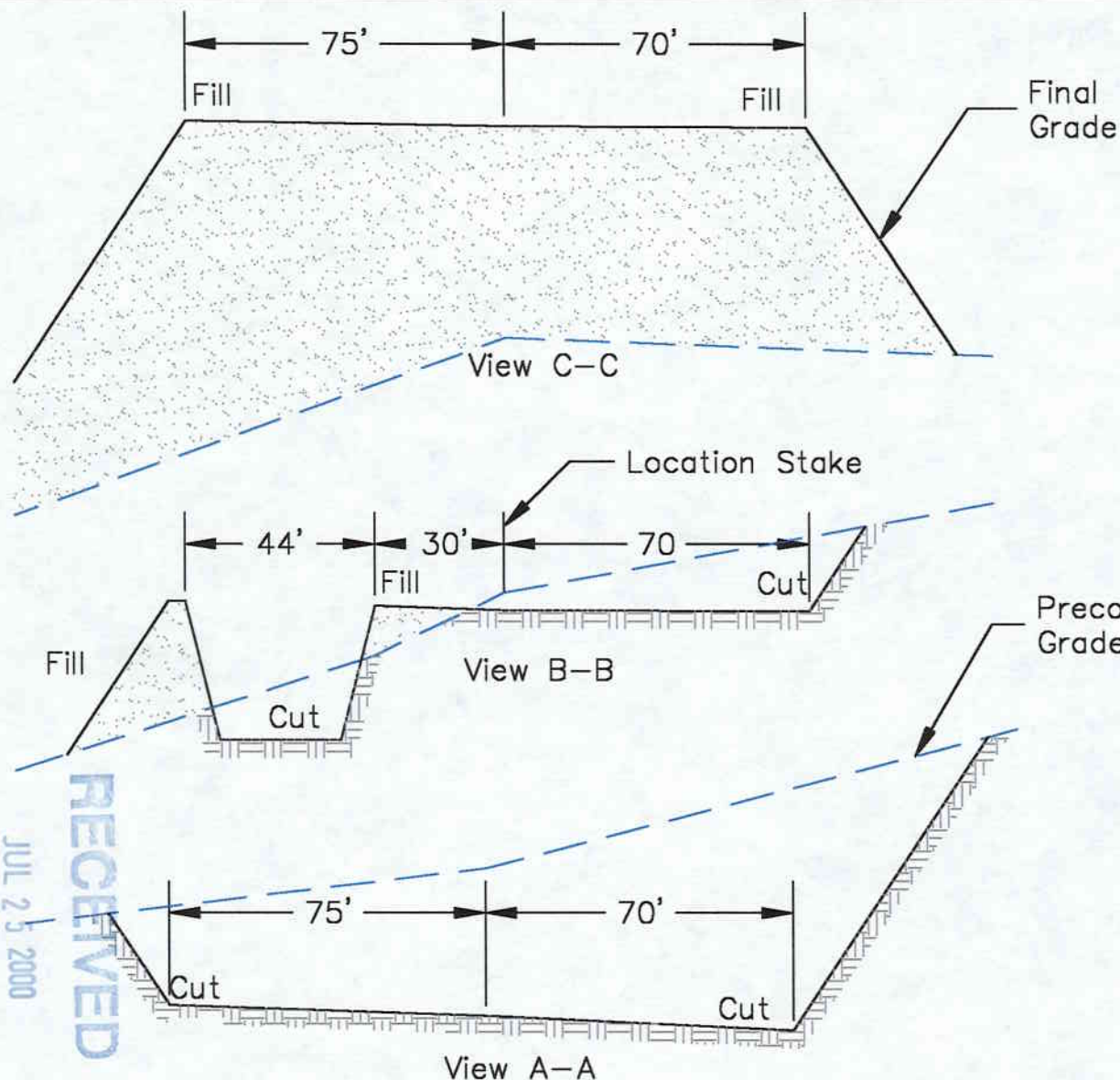
Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 06/28/00
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 131

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JUL 25 2000

RECEIVED



Slope = 1 1/2 : 1
(Except Pit)
Pit Slope = 1 ; 1



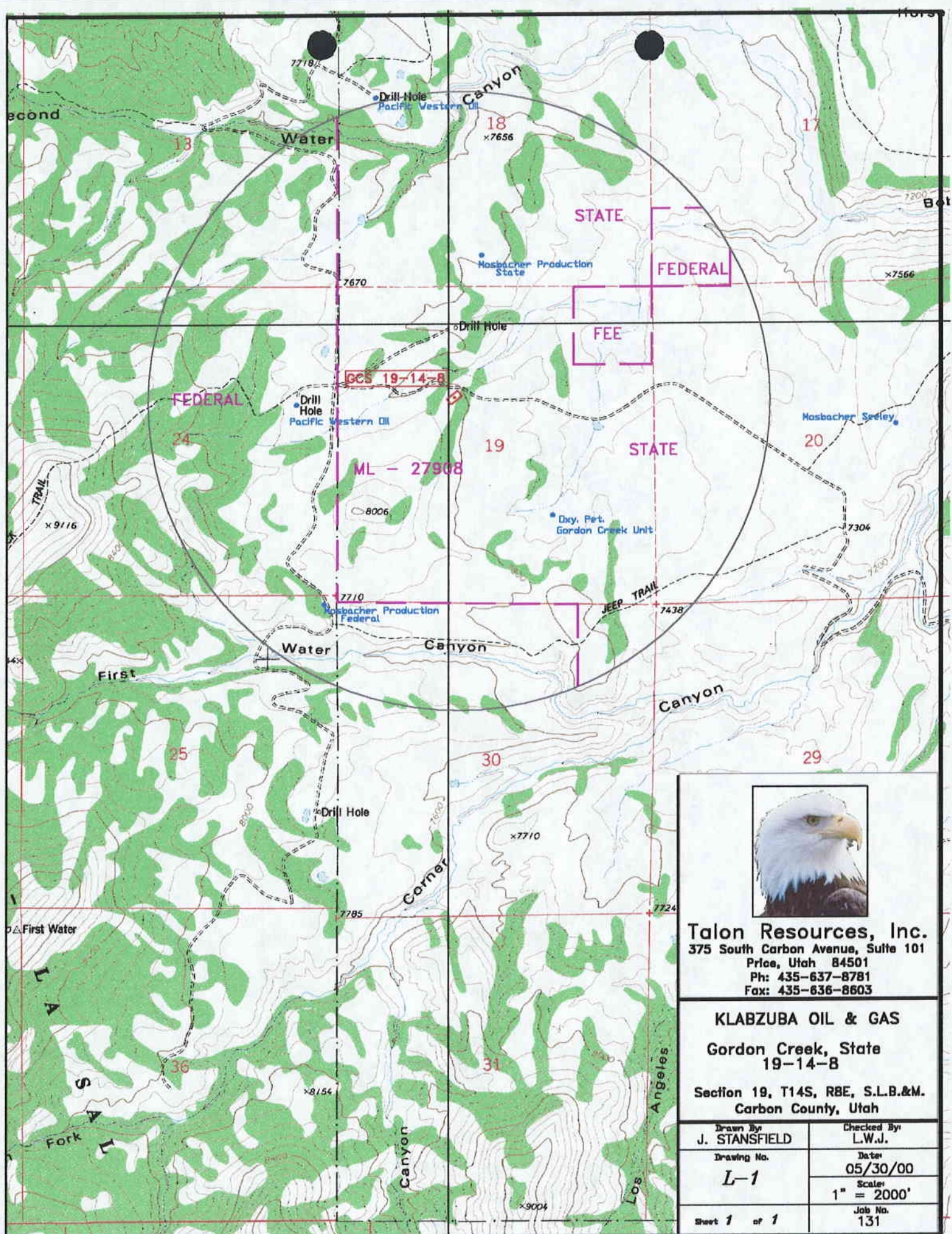
Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603

**KLABZUBA OIL & GAS
TYPICAL CROSS SECTION**
Section 19, T14S, R8E, S.L.B.&M.
GC, STATE 19-14-8

Drawn By: J. STANSFIELD	Checked By: L.W.J. / D.H.
Drawing No. C-1	Date: 06/30/00
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 131

APPROXIMATE YARDAGES

CUT
(6")Topsoil Stripping = 750 Cu. Yds.
Remaining Location = 4,165.3 Cu, Yds.
TOTAL CUT = 4,790.3 Cu. Yds.
TOTAL FILL = 4,667.4 Cu. Yds.



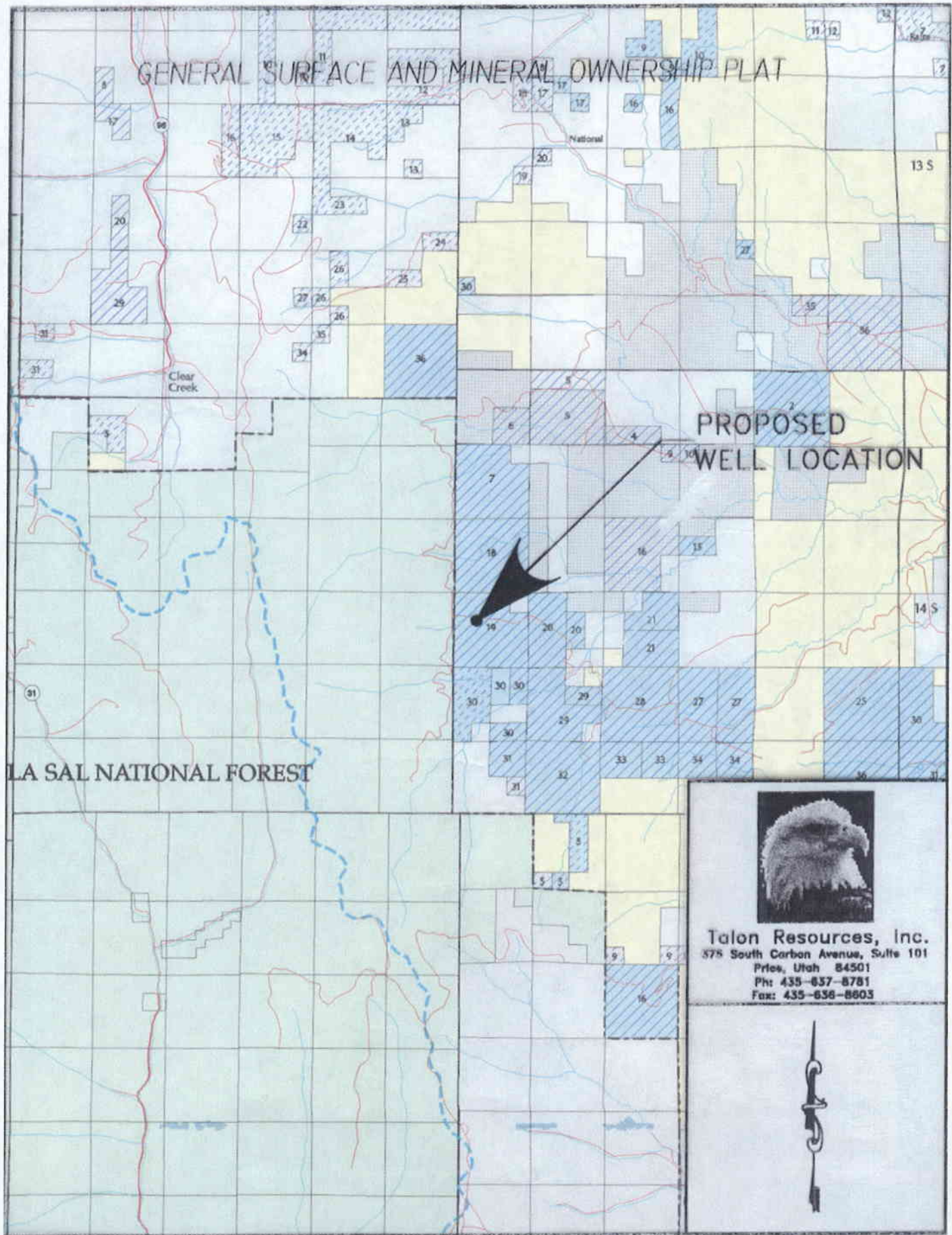
Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603

KLABZUBA OIL & GAS

Gordon Creek, State
 19-14-8

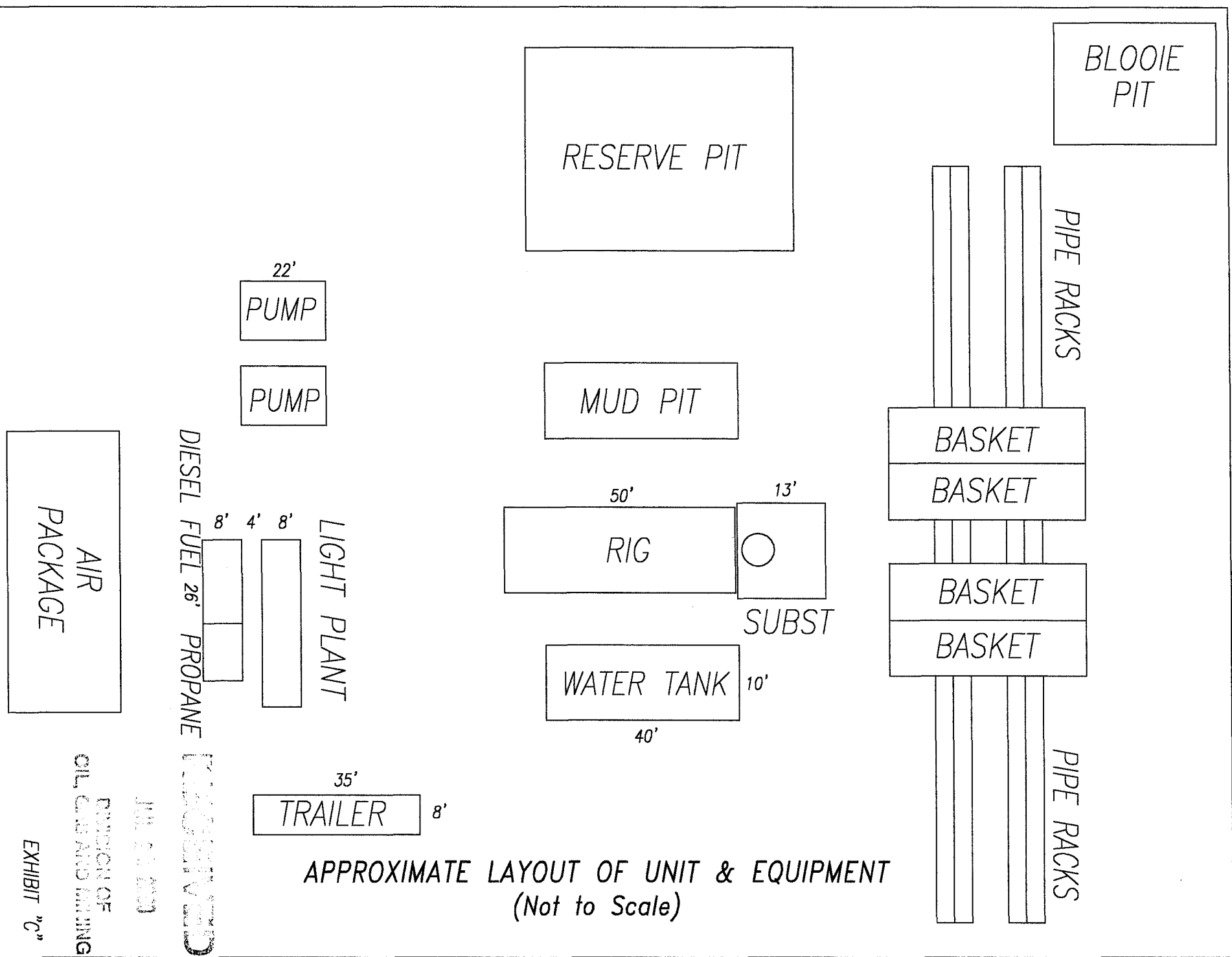
Section 19, T14S, R8E, S.L.B.&M.
 Carbon County, Utah

Drawn By J. STANSFIELD	Checked By L.W.J.
Drawing No. L-1	Date 05/30/00
	Scale 1" = 2000'
Sheet 1 of 1	Job No. 131

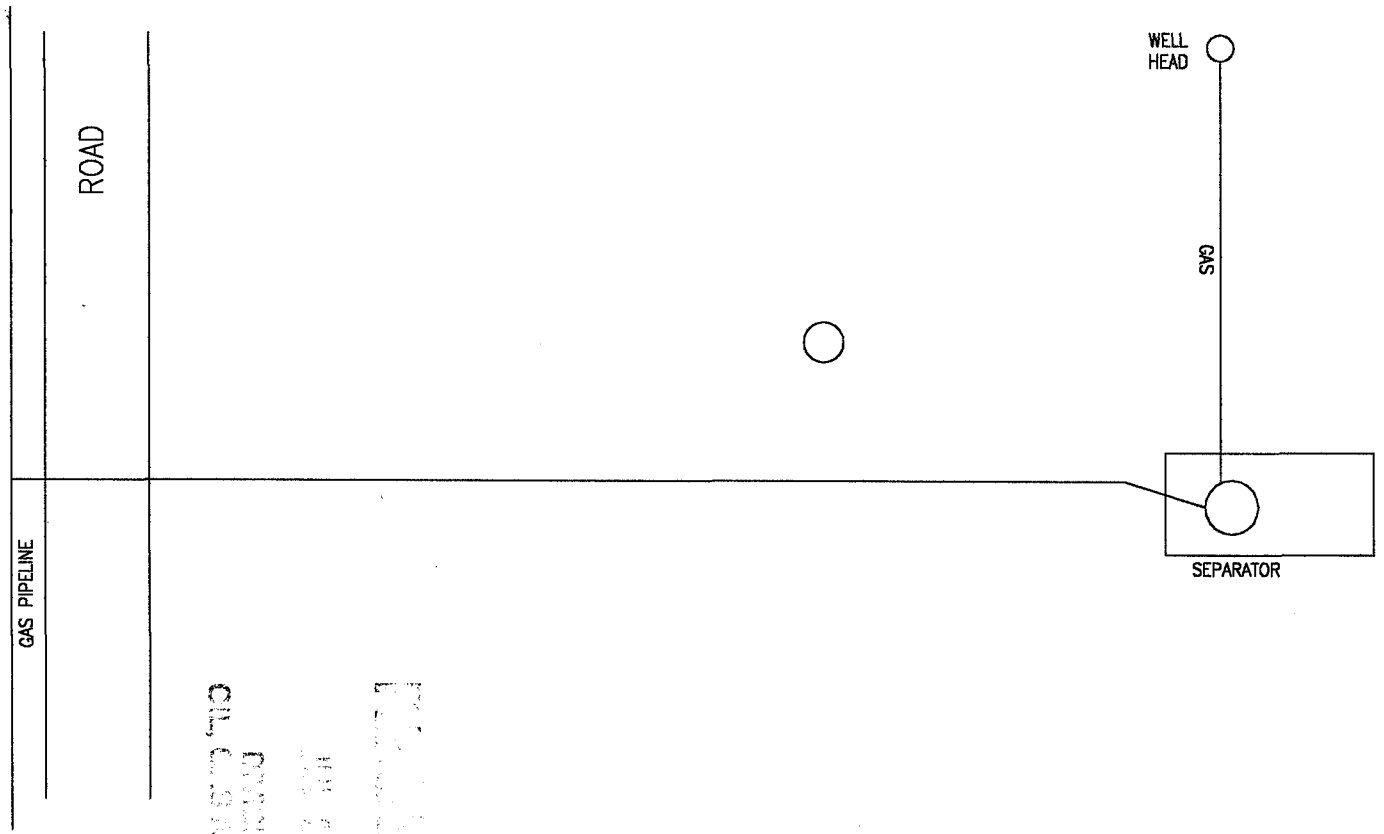


Talon Resources, Inc.
575 South Carbon Avenue, Suite 101
Preston, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8803





ANCHOR (Typ. 4 PI)



TYPICAL PRODUCTION SITE LAYOUT
(Not to Scale)

RECEIVED
JUN 28 1973
DIVISION OF
OIL, GAS & MINERAL
RESOURCES

BOP Equipment

3000psi WP (except rotating head at 1000psi)

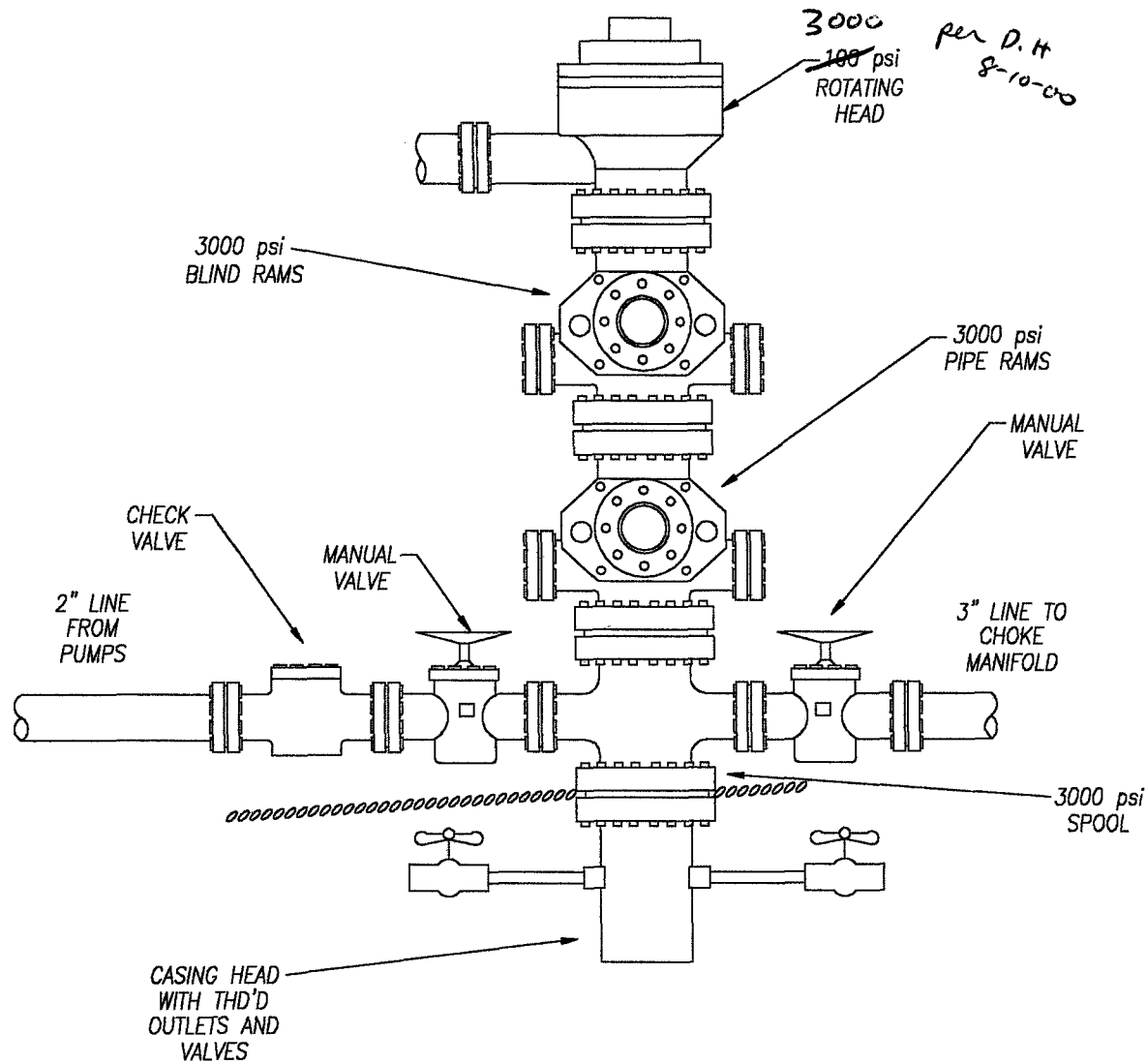


EXHIBIT "G"

REPRODUCED FROM
ORIGINAL DRAWING

NOV 19 1973

REPRODUCED FROM
ORIGINAL DRAWING

CHOKE MANIFOLD

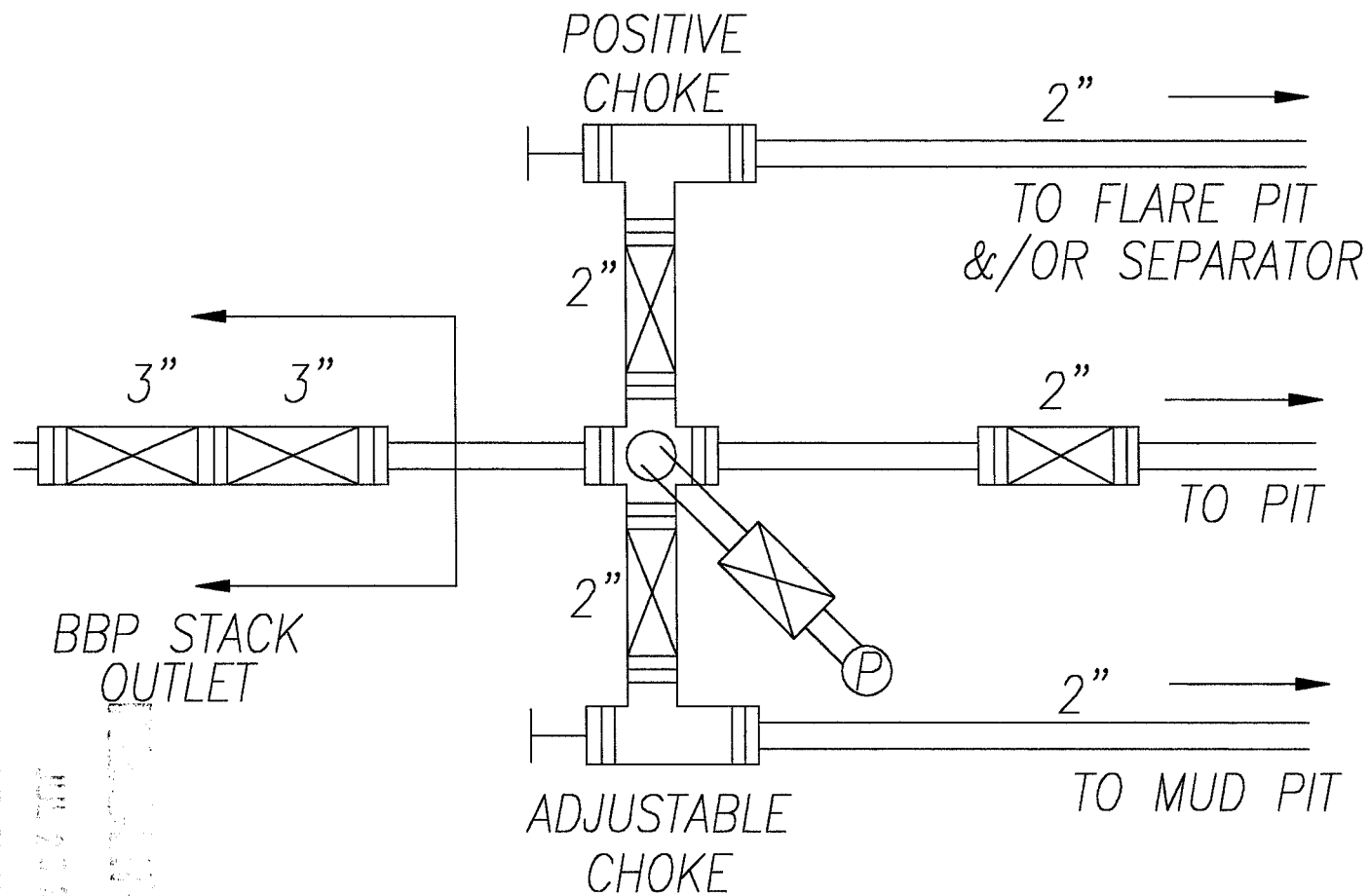
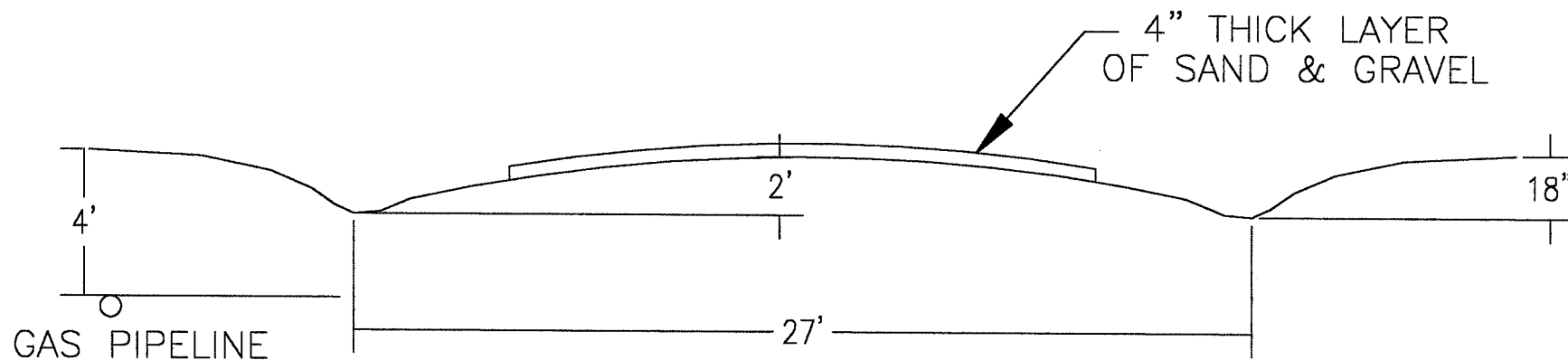


EXHIBIT "H"

SECTION OF
CIT, CUS AND BANDA

WIL 2000

10/10/00



TYPICAL ROAD CROSS-SECTION
(Not to Scale)

EXHIBIT "1"

PROPOSED
CITY OF
MILWAUKEE

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/25/2000

API NO. ASSIGNED: 43-007-30724

WELL NAME: GORDON CREEK ST 19-14-8
OPERATOR: KLABZUBA OIL & GAS INC. (N1325)
CONTACT: DON HAMILTON, AGENT

PHONE NUMBER: 435-637-8781

PROPOSED LOCATION:

SENW 19 140S 080E
SURFACE: 1948 FNL 1886 FWL
BOTTOM: 1948 FNL 1886 FWL
CARBON
GORDON CREEK (20)

LEASE TYPE: 3-State
LEASE NUMBER: ML-27908 *fe*
SURFACE OWNER: 3-State

PROPOSED FORMATION: MNCS

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	<i>ROH</i>	<i>8-9-00</i>
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[3] Fee[]
(No. ~~588080~~ *ff. 7/2000*)
☒ Potash (Y/N) B32644444 (12/16-D.M)
☒ Oil Shale (Y/N) *190 - 5 (B)
☒ Water Permit
(No. PRWID _____)
☒ RDCC Review (Y/N)
(Date: _____)
☒ N/A Fee Surf Agreement (Y/N)

LOCATION AND SITING:

☐ R649-2-3. Unit _____
☒ R649-3-2. General
Siting: _____
☐ R649-3-3. Exception
☐ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
☐ R649-3-11. Directional Drill

COMMENTS: Need Presite (Conducted 5-26-2000)

STIPULATIONS: ① STATEMENT OF BASIS



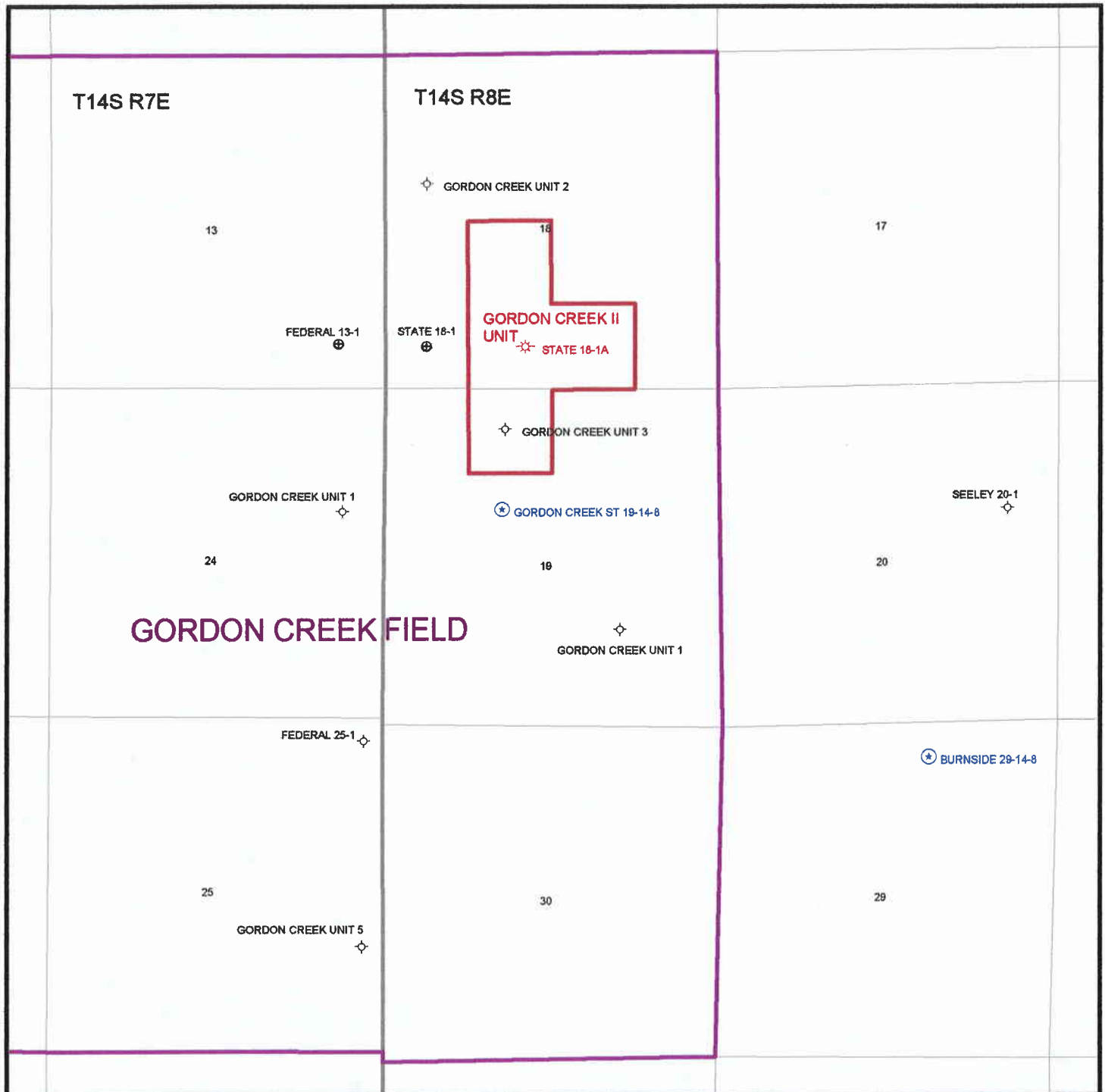
Utah Oil Gas and Mining

OPERATOR: KLABZUBA OIL & GAS (N1325)

FIELD: GORDON CREEK (020)

SEC. 19, T14S, R8E,

COUNTY: CARBON SPACING: R649-3-2/GEN ST



ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: KLABZUBA OIL & GAS COMPANY

WELL NAME & NUMBER: STATE 19-14-8

API NUMBER: 43-007-30724

LEASE: ML-27908

FIELD/UNIT: GORDON CREEK

LOCATION: 1/4, 1/4 SE NW Sec: 19 TWP: 14 S RNG: 8 E 2000 FNL 1850 FWL

LEGAL WELL SITING: 460 Setback and 920 From another well.

GPS COORD (UTM): 493793 E 4382629 N

SURFACE OWNER: STATE OF UTAH SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION

PARTICIPANTS:

Mike Hebertson (DOGM), Don Hamilton (Talon Resources) Ed Bonner (SITLA)
Chris Colt (DWR)

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

This well is located on the Eastern edge of the Wasatch Plateau in the transitional zone between the Wasatch Plateau and the San Rafael Swell, and the Western margin Colorado Plateau. The area is highly faulted in a series of horst and graben fault blocks which step up to the top of Wasatch Plateau. The well is located on an unnamed drainage which flows into Bob Bishop Canyon and thence to Mud Water Canyon. There may be as much as 200 feet of Upper Blue Gate Shale above Emery Sandstone at this location.

SURFACE USE PLAN:

CURRENT SURFACE USE: Wild life habitat, open range, and grazing.

PROPOSED SURFACE DISTURBANCE: 144 X 260 feet with an inboard reserve pit 50 X 50 X 10 feet. Top soil and spoil piles will be outboard of the location and will have vegetation mixed in to act as erosion control. The access road will be 200 feet of new road and will enter the pad on the southwest corner.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 1 producing gas well, 2 permits filed for and not drilled, 4 plugged and abandoned wells, and 12 points of diversion one of these is an underground well to the SE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: all production equipment, power and utility lines will follow the established roads.

SOURCE OF CONSTRUCTION MATERIAL: Road base will be purchased from a private pit.

ANCILLARY FACILITIES: None were applied for.

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. No crude oil is expected to be produced. Drilling fluid,

completion & frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit. Used oil from drilling operations and support is hauled to a used oil re-cycler and re-used. A suitable waste management plan has not been submitted by the operator for 2000 and this must be in place before drilling begins.

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOODPLAINS AND/OR WETLANDS: None. However this location is very remote and will not be accessible during the winter months

FLORA/FAUNA: Pinyon, juniper / birds, lizards, coyotes, rodents, Raptors, elk and deer critical winter range, reptiles.

SOIL TYPE AND CHARACTERISTICS: Emery Sandstone Member of the Mancos Shale. Soil type is CL= Inorganic clays of low to medium plasticity gravelly clays, sandy clays, silty clays, and lean clays.

SURFACE FORMATION & CHARACTERISTICS: Emery Sandstone Member of the Mancos formation, light buff to reddish tan with bentonitic shale and sandstone ledges interfingered.

EROSION/SEDIMENTATION/STABILITY: Erosion is slight, Sedimentation is low, and the pad is located in a stable area. This appears to be somewhat of a deflation surface.

PALEONTOLOGICAL POTENTIAL: None was observed at this location.

RESERVE PIT:

CHARACTERISTICS: 50 X 50 X 10 feet, built inboard on the location pad. Although the soils are high in clay content the pit will be lined due to the sensitive nature of the area where the well is located.

LINER REQUIREMENTS (Site Ranking Form attached): A liner is required .

SURFACE RESTORATION/RECLAMATION PLAN:

The surface will be restored as stipulated in the SITLA lease and as determined by SITLA at the time of reclamation.

SURFACE AGREEMENT: Part of the SITLA Lease.

CULTURAL RESOURCES/ARCHAEOLOGY: An archaeology and cultural resource clearance will be submitted to the State of Utah Historical Society along with the Completed APD.

OTHER OBSERVATIONS/COMMENTS:

The road was moved at the time of the onsite and will use an old two track already accessing the location. However precautions will be taken to guard against recreational users extending the road beyond the location.

ATTACHMENTS:

Pictures were taken and the location typed as per the date below
noted

K. Michael Hebertson
DOGM REPRESENTATIVE

26-May-2000 11:00 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and On-site Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>8</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>8</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>5</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>10</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u> </u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u> </u>
Final Score		<u>41</u>

Sensitivity Level II
Pit liner is required

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

Operator Name: Klabzubz Oil & Gas Company

Well Name & Number: State 19-14-8

API Number: 43-007-30724

Location: 1/4, 1/4 SE NW Sec. 19 T. 14 S R. 8 E County: CARBON

Geology/Ground Water:

This location is in a horst and graben area of the Wasatch Plateau. A search of the water rights database for this area show that there are 12 points of diversion within a mile of this location. One of these is an underground water well of an undetermined depth. However surface casing for this well will be set through the Emery Sandstone Member of the Mancos Formation and cemented back to surface to protect any water bearing strata encountered in the upper portions of the drill hole. In like manner any water zone encountered in the lower hole will also be placed behind pipe and cement will be placed across the zone for a minimum of 100' above and below the water bearing zone.

Reviewer: K. Michael Hebertson

Date: 24-May-2000

Surface:

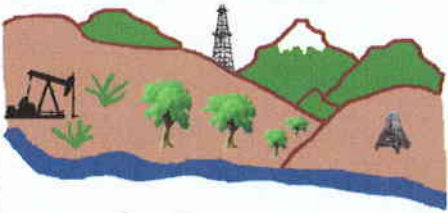
Representatives of School and Institutional Trust Lands Administration and Division of Wildlife Resources were invited and also attended the on-site review for this well. The well is located in a very sensitive wildlife area and is adjacent to lands owned and protected by Wildlife Resources. Winter operations were discussed by DWR and operational restrictions were agreed to by the operators representative. Other issues regarding pipelines and roads were discussed by DWR, and it was recommended that DWR call all the parties together to discuss development plans for the area. Impact and mitigation fees were also discussed.

Reviewer: K. Michael Hebertson

Date: 24-May-2000

Conditions of Approval/Application for Permit to Drill:

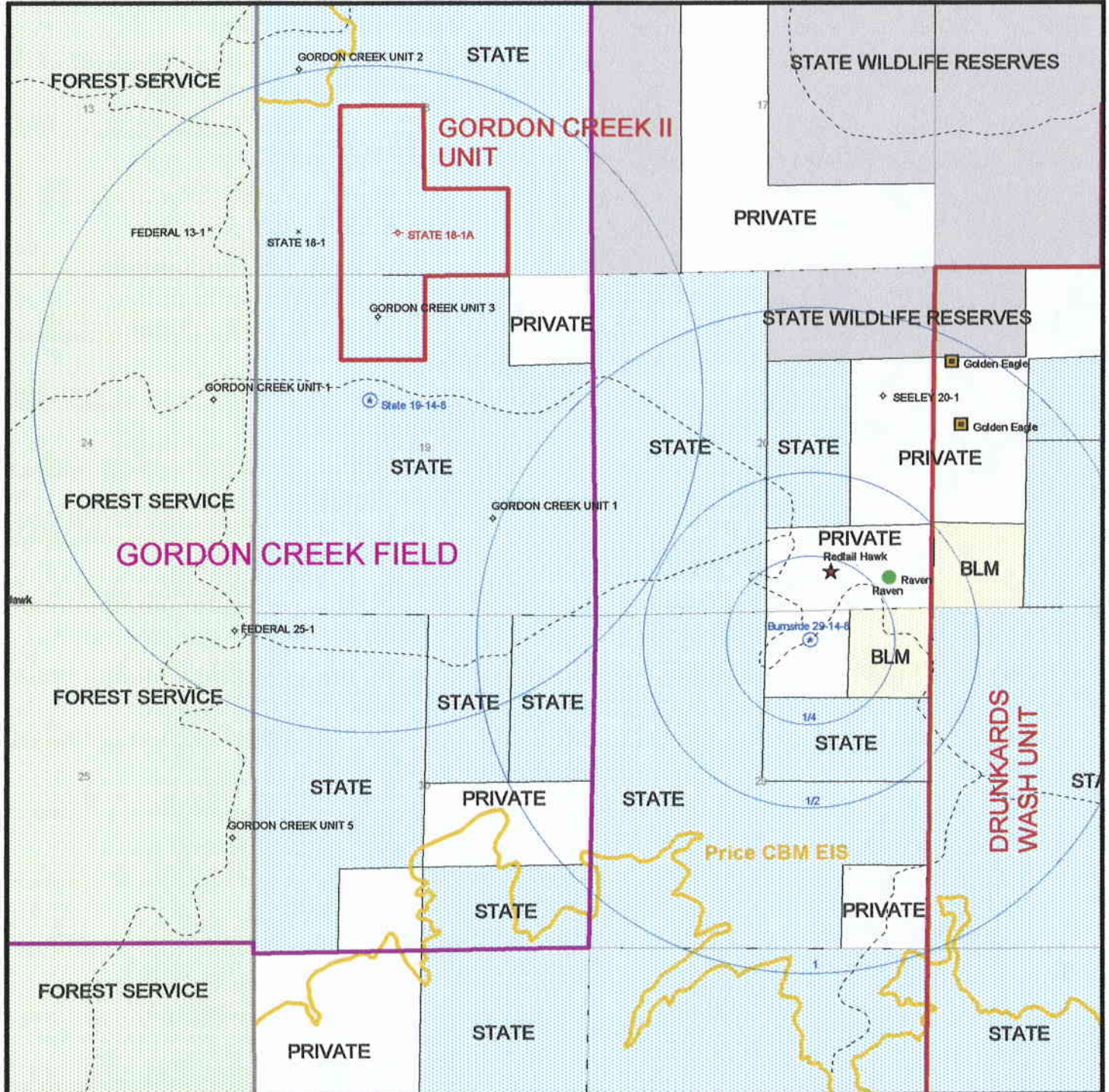
1. Rocks and or boulders will be placed along the edges of the access road.
2. Berms and silt fences will be places at the toe of all fill slopes.
3. Water bars and diversions will be places to keep surface runoff from entering the well pad.
4. Fencing will be installed around the pit on three sides during drill operations and the fourth side when the rig moves off the well.
5. Any water zone encountered in the lower hole will also be placed behind pipe and cement will be placed across the zone for a minimum of 100' above and below the water bearing zone.



Utah Oil Gas and Mining

Serving the Industry, Protecting the Environment

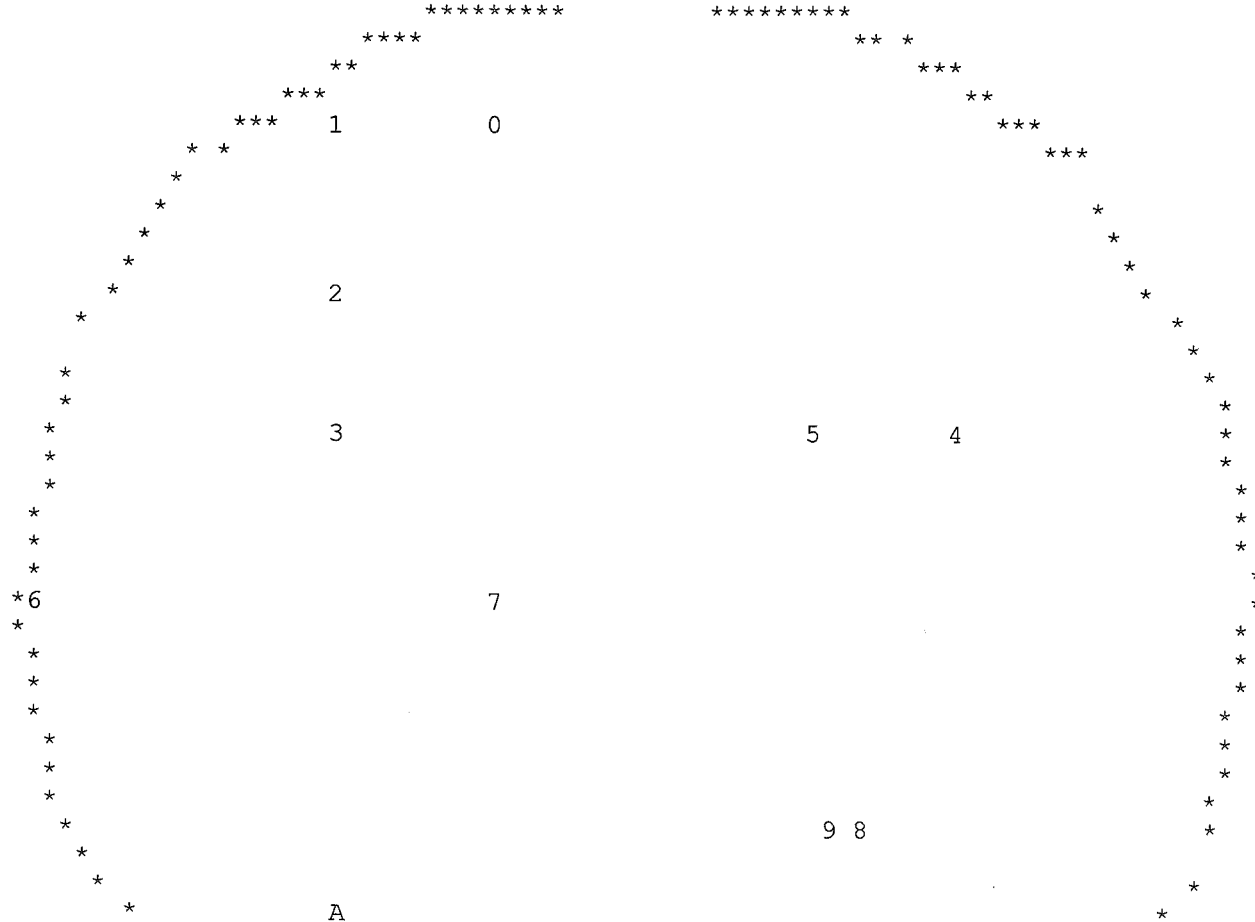
OPERATOR: KLABZUBA OIL & GAS COMPANY (N)
 FIELD: GORDON CREEK (020) , UNDESIGNATED (002)
 SEC. 19 & 29, T 14 S, R 8 E,
 COUNTY: CARBON STATE SPACING



PREPARED
 DATE: 24-MAY-2000

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
S 2000 FEET, E 1850 FEET OF THE NW CORNER,
SECTION 19 TOWNSHIP 14S RANGE 8E SL BASE AND MERIDIAN

N O R T H



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UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	CFS	QUANTITY AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH YEAR LOG NORTH EAST	POINT OF DIVERSION DESCRIPTION CNR SEC TWN RNG B&M	U A N P N P
0	91 3217	.0000	.00	Second Water Canyon Creek		
	WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
	State of Utah School & Institutional Tru 675 East 500 South, 5th Floor				Salt Lake City	UT 84
1	91 992	.0000	.00	Second Water Canyon Creek		
	WATER USE(S):				PRIORITY DATE: 00/00/1869	
	USA Forest Service				Ogden	UT 8
2	91 4192	.0000	.00	Unnamed Stream		
	WATER USE(S):				PRIORITY DATE: 00/00/1869	
	USA Forest Service				Ogden	UT 84
3	91 4326	.0150	.00	Unnamed Spring		
	WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
	USA Forest Service				Ogden	UT 84
4	91 3111	.0110	.00	Unnamed Spring		
	WATER USE(S):				PRIORITY DATE: 00/00/1869	
	Oman, Milton A.				Salt Lake City	UT
5	91 3073	.0000	.00	Bob Bishop Canyon Creek		
	WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	

	State of Utah School & Institutional Tru	675 East 500 South, 5th Floor	Salt Lake City	UT 84
6	<u>91 4192</u>	.0000 .00 Unnamed Stream		
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	USA Forest Service	324 - 25th Street	Ogden	UT 84
7	<u>91 3073</u>	.0000 .00 Bob Bishop Canyon Creek		
	WATER USE(S): STOCKWATERING		PRIORITY DATE: 00/00/1869	
	State of Utah School & Institutional Tru	675 East 500 South, 5th Floor	Salt Lake City	UT 84
8	<u>91 4209</u>	.1000 .00 6 10 - 500 N 1411 W 1484 SE 19 14S 8E SL		
	WATER USE(S): MINING		PRIORITY DATE: 09/06/1979	
	State of Utah School & Institutional Tru	675 East 500 South, 5th Floor	Salt Lake City	UT 84
9	<u>91 4212</u>	1.0500 .00 Underground Water Well N 1410 W 1785 SE 19 14S 8E SL		
	WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING		PRIORITY DATE: 09/19/1979	
	Oman, Milton A.	1714 Millcreek Way	Salt Lake City	UT 8
A	<u>91 4191</u>	.0150 .00 Unnamed Spring		
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	USA Forest Service	324 - 25th Street	Ogden	UT 84
B	<u>91 991</u>	.0000 .00 First Water Canyon Creek		
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	USA Forest Service	324 25th Street	Ogden	UT 84

Well name:

8-00 Klabzuba GCS 19-14-8Operator: **Klabzuba**String type: **Surface**

Project ID:

43-007-30724

Location: **Carbon County****Design parameters:****Collapse**

Mud weight: 8.330 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 75 °F

Bottom hole temperature: 83 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 300 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi

Internal gradient: 0.433 psi/ft

Calculated BHP 238 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 482 ft

Re subsequent strings:

Next setting depth: 7,500 ft

Next mud weight: 8.330 ppg

Next setting BHP: 3,245 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 3,865 ft

Injection pressure 3,865 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	550	9.625	36.00	J-55	ST&C	550	550	8.796	39.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	238	2020	8.49	238	3520	14.79	17	394	22.70 J

Prepared RJK
by: Utah Dept. of Natural Resources

Date: August 9,2000
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 550 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

8-00 Klabzuba GCS 19-14-8Operator: **Klabzuba**String type: **Production**

Project ID:

43-007-30724Location: **Carbon County****Design parameters:****Collapse**

Mud weight: 8.330 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 75 °F

Bottom hole temperature: 131 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 368 ft

Cement top: 1,247 ft

BurstMax anticipated surface
pressure:

0 psi

Internal gradient: 0.433 psi/ft

Calculated BHP 1,731 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 3,496 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	4000	5.5	15.50	J-55	ST&C	4000	4000	4.825	125.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1731	4040	2.33	1731	4810	2.78	54	202	3.73 J

Prepared RJK
by: Utah Dept. of Natural ResourcesDate: August 9, 2000
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

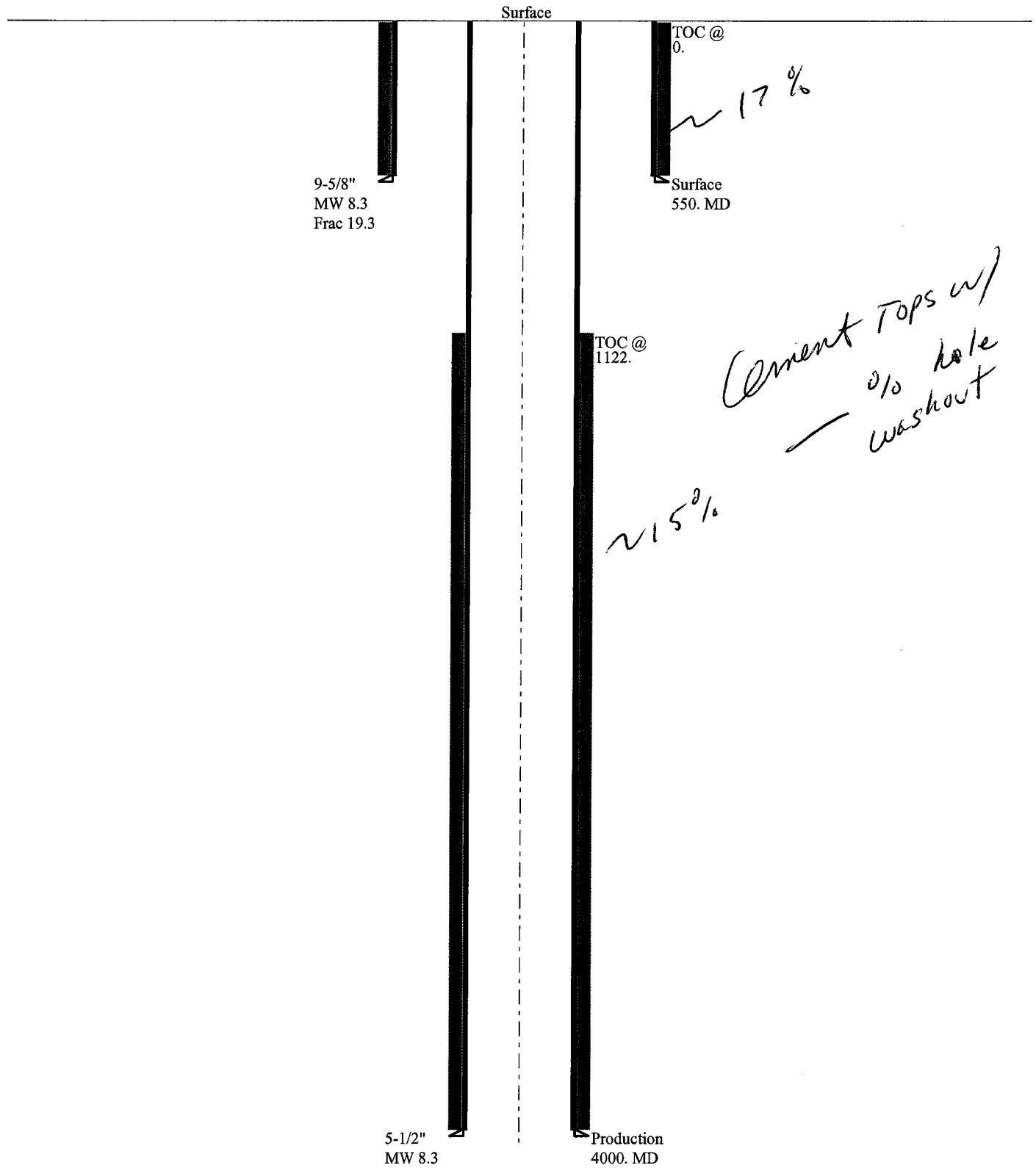
Collapse is based on a vertical depth of 4000 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

8-00 Klabzuba GCS 19-14

Casing Schematic



TRANSACTION REPORT

P. 01

FEB-07-2001 WED 01:15 PM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
FEB-07	01:14 PM	3550922	42"	2	SEND	OK	120	

TOTAL : 42S PAGES: 2



State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE: 2-7-01

FAX#: 355-0922

ATTN: Ed Bonner

COMPANY: SITLA

DEPARTMENT: _____

NUMBER OF PAGES:(INCLUDING THIS ONE) ~~1~~ 2

From: Lisha Cordova 2/9/01 Lease Op. Desig. finished.

If you do not receive all of the pages, or if they are illegible, please call (801)538-5340

OK!
ifc

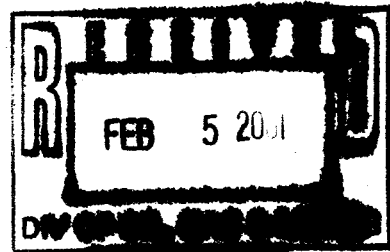
DESIGNATION OF OPERATOR

The undersigned is, on the records of the School and Institutional Trust Lands Administration, holder of lease, ML 27908

and hereby designates

NAME: Klabzuba Oil and Gas, Inc.

ADDRESS: 717 17th Street, Suite 1435
Denver, CO 80202



as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Administration or his representative may serve written or oral instructions in securing compliance with the Rules and Regulation Governing the Issuance of Mineral Leases with respect to (describing acreage to which this designation is applicable):

T 14 S, R 8 E Section 19: W/2 less rights from the surface down to and including but not below 100' below the stratigraphic equivalent of 2,859 feet in the NE/4NW/4

Carbon County, Utah

Operator agrees to comply with all lease provisions, statutes, rules, and regulations, whether federal, state, or local, in its operations on the subject lease.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Trust Lands Administration or his representatives.

The lessee agrees promptly to notify the Trust lands Administration of any changes in the designated operator.

OXY USA, Inc.

(Signature of Lessee)

Date:

9/15/2000

5 Greenway Plaza Suite 2400
Houston, TX 77046

(Address)

Date:

1/30/2001

(Signature of Operator)

Klabzuba Oil and Gas, Inc.

John A. Klabzuba, President



Talon Resources, Inc.

Service, Quality and Accuracy

375 South Carbon Avenue A-10
Suite 101
Price, Utah 84501
Phone: 435-637-8781
435-637-5032 Ext 710/711

Cell: 801-650-1401
801-650-1402
Fax: 435-636-8603
Email: talon@castlenet.com

February 01, 2001

Lisha Cordova
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Klabzuba Oil and Gas, Inc. Well sites ✓ Gordon Creek State 19-14-8, Burnside 29-14-8

Dear Mrs. Cordova:

On behalf of Klabzuba Oil and Gas, Inc. (Klabzuba), Talon Resources, Inc. respectfully submits the enclosed supplemental information for the above referenced wells located in Carbon County. It is our understanding that an executed surface use agreement for the Burnside 29-14-8 and an Oxy USA, Inc. designation of operator for the Gordon Creek State 19-14-8 is all that is required to complete the application process. Both of these documents have been enclosed for your review and inclusion within your files.

Please feel free to contact me or Mr. Paul Urban with Klabzuba if you have any questions or need additional information.

Sincerely;

Don Hamilton
Don Hamilton

Environmental Manager / Project Coordinator

enc.

cc. Mr. Paul Urban, Klabzuba (without enclosures)
Job Number 151 file



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

February 12, 2001

Klabzuba Oil and Gas, Inc.
717 - 17th St, Suite 1435
Denver, CO 80202

Re: Gordon Creek State 19-14-8 Well, 1948' FNL, 1886' FWL, SE NW, Sec. 19, T. 14 South,
R. 8 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30724.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Baza'.

John R. Baza
Associate Director

er

Enclosures

cc: Carbon County Assessor
SITLA

Operator: Klabzuba Oil and Gas, Inc.
Well Name & Number Gordon Creek State 19-14-8
API Number: 43-007-30724
Lease: ML-27908

Location: SE NW **Sec.** 19 **T.** 14 South **R.** 8 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

SPUDDING INFORMATION

Name of Company: KLABZUBA OIL & GAS INC

Well Name: GORDON CREEK ST 19-14-8

Api No. 43-007-30724 LEASE TYPE: STATE

Section 19 Township 14S Range 08E County CARBON

Drilling Contractor ELENBURG RIG #

SPUDDED:

Date 07//13/2001

Time

How DRY

Drilling will commence

Reported by PAUL URBAN

Telephone # 1-303-382-2170

Date 07/16/2001 Signed: CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Attn: Jim Thompson
801-538-5336
FORM 6

ENTITY ACTION FORM

Operator: Klabanza Oil and Gas Operator Account Number: N-1325
Address: 200 12th ST. SUITE 1300
city DENVER
state CO zip 80202
Phone Number: 303-299-9091

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-007-30725	Burnside 29-14-8	NWSE	29	14S	8E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	13250	7-21-01	8-20-01		
Comments: 8-20-01						

CONFIDENTIAL

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-007-30724	Gordon Creek State 19-14-8	SENE	19	14S	8E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	13251	7-13-01	8-20-01		
Comments: 8-20-01						

CONFIDENTIAL

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

MARK CALDWELL
Name (Please Print)

Signature

GEOLOGIST

Title

8/10/01
Date

AUG 13 2001

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 7

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: Gordon Creek State 19-14-8

API number: 430073072400

Well Location: QQ SENW Section 19 Township 14S Range 8E County Carbon

Well operator: Klabzuba Oil & Gas

Address: 700 17th Street, Suite 1300

city Denver state CO zip 80202

Phone: 303-299-9097

Drilling contractor: Ellenberg

Address: P.O. Box 2440

city Casper state WY zip 82602

Phone: 307-235-8609

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
810	1717	Flowing-est 5 BWPH	Fresh

Formation tops:
(Top to Bottom)

1	<u>Emery SS @ Surface</u>	3	
4	<u>Base Mancos Sandy Zones 1710ft</u>	6	
7	<u>Ferron Sand 3483</u>	9	
10		11	
		12	

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

NAME (PLEASE PRINT) Mark S. Caldwell

TITLE Geologist

SIGNATURE

Mark S. Caldwell

DATE

8/14/01

RECEIVED

AUG 22 2001

KLABZUBA OIL & GAS, INC.

Legacy Tower, Suite 1300
700 Seventeenth Street
Denver, Colorado 80202-3512
Phone: 303-299-9097 Fax: 303-299-9087

December 18, 2002

RECEIVED

Utah Division of Oil, Gas and Mining
1594 W. North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

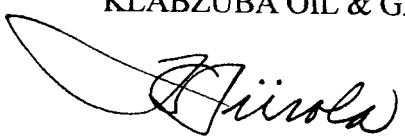
DIV. OF OIL, GAS & MINING

Re: Thomas W. Clawson, Esq.

To whom it may concern:

By its signature below, Klabzuba Oil & Gas, Inc. (Klabzuba) hereby consents to Thomas W. Clawson, Esq.'s examination of all well files, including APD files, associated with wells operated or proposed by Klabzuba's in the W/2 of Section 19, Township 14 South, Range 8 East, SLM, Carbon County, Utah.

KLABZUBA OIL & GAS, INC.


T.C. Sirola
Land Manager

NENW 43 007 16108
~~SE NW 43 007 30807~~ - Conf.
NESW 43 007 30807 - Conf.

Principal Office
Lexington Place
930 West First Street
Fort Worth, Texas 76102
Phone 817-336-5757 FAX 817-336-5927

Havre Office
48 Second Avenue
P.O. Box 40
Havre, Montana 59501
Phone 406-262-9912 FAX 406-262-9400

Arkoma Basin Office
5908 Jenny Lind Road
Fort Smith, Arkansas 72908-7497
Phone 501-649-0300 FAX 501-649-0500

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas well ☐ Other

2. Name of Operator
KLABZUBA OIL & Gas INC.

3. Address and Telephone No.
700 Seventeenth Street, Suite 1300 Denver, CO 80202 (303) 299-9097

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SE/NW 1948' FNL & 1886' FWL Section 19-T14S-R8E

5. Lease Designation and Serial No.

ML-27908

6. If Indian, Allottee or Tribe Name

NA

7. If unit or CA, Agreement Designation

NA

8. Well Name and No.

Gordon Creek State 19-14-8

9. API Well No.

43-007-30724

10. Field and Pool, or Exploratory Area

Gordon Creek

11. County or Parish, State

Carbon, UT

12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing repair

☐ Altering Casing

☒ Other **1st Production**

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Note: The above referenced well went on 1st production December 13th, 2002

RECEIVED
DEC 31 2002
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Signed **George B. Rooney**
George Rooney

Title **Project Engineer**

Date **12.22.02**

(This space of Federal or State office use.)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly to make to any department of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐

1b. TYPE OF WELL

NEW WELL ☒ W OR R ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR. ☐ Other ☐

2. NAME OF OPERATOR

Klabzuba Oil & Gas Co.

3. ADDRESS AND TELEPHONE NO.

700 17th St. Suite 1300 Denver, CO 80202

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*

At Surface

1948' FNL & 1886' FWL (SE/NW) Sec. 19, Twp. 14S, Rng. 8E

At top prod. Interval reported below

Same

At total depth

Same

14. API NO.

43-007-30724

DATE ISSUED

2/12/01

12. COUNTY OR PARISH

Carbon

13. STATE

UT

15. DATE SPUDDED

7/11/01

16. DATE T.D. REACHED

7/19/01

17. DATE COMPL. (Ready to prod.)

10/17/01 SI WO pipeline

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

7628' GR

19. ELEV. CASINGHEAD

7633' KB

20. TOTAL DEPTH, MD & TVD

3802' KB

21. PLUG BACK T.D., MD & TVD

3761' KB

22. IF MULTIPLE COMPL., HOW MANY*

3

23. INTERVALS DRILLED BY

----->

ROTARY TOOLS

X

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*

Ferron SS 3524' - 3736'

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Cased Hole DIGL/SP/CDL/GR/Cal

27. WAS WELL CORED

No

23.

CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
9-5/8" - J-55	36#	547'	12-1/4"	To surface with 305 sxs of Class G	
7" - J-55	20#	2037'	8 3/4"	140 sxs 50/50 Poz & 65 sxs of Class G	
4 1/2" - I-80	11.6#	3803'	6 1/4"	140 sxs of 50/50 poz & 102 sxs of Class G	

29.

LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30.

TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	EOT @	
	3501' KB	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	SPF#shots	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
(Ferron A sand) 3730' - 3802'	0.42"	4/24	Same	Acidize w/500 gal 15% HCL Frac w/ 47,000# 16/30 sand in 570 bbls. fluid.
(Ferron B sand) 3811' - 3886'	0.42"	4/60	Same	Frac w/ 100,000# 16/30 sand in 1048 bbls. fluid.
(Ferron C sand) 3544' - 3736'	0.42"	4/80	Same	Acidize w/300 gal 7 1/2% HCL, 750 gal MCA acid, & then 300 gal 7 1/2 % HCL

33.*

PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)	WELL STATUS (Producing or shut-in)
Shut in, waiting on pipeline	Flowing	Producing as of 12/12/02
DATE OF TEST	HOURS TESTED	CHOKE SIZE
10/01		
Ferron C & Ferron B		
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE
330 psig Ferron C	460 psig Ferron C	
125 psig Ferron B	310 psig Ferron B	
OIL--BBL.	GAS--MCF.	WATER--BBL.
C interval-1750 B interval-515		
C-none B-3 bbl/hr		
#		0
OIL GRAVITY-API (CORR.)		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

NA

TEST WITNESSED BY

JAN 03 2003

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

DIV. OF OIL, GAS & MINING

SIGNED

George B. Tracy

TITLE

Petroleum Engineer

DATE

12/26/2002

GBRIV

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);	38. GEOLOGIC MARKERS				
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP MEAS. DEPTH TRUE VERT. DEPTH
			Gorden Creek State 19-14-8	Emery SS Member (Mancos) L. Mancos (Base Sandy Zones) Mancos Blue Gate Marker Ferron Top Ferron Marine Lower Ferron Sand	@ surface 2372' 3370' 3484' 3538' 3890'

RECEIVED

JAN 03 2003

DIV. OF OIL, GAS & MINING

KLABZUBA OIL & GAS, INC.

Legacy Tower, Suite 1300
700 Seventeenth Street
Denver, Colorado 80202-3512
Phone: 303-299-9097 Fax: 303-299-9087

RECEIVED

JAN 03 2003

DIV. OF OIL, GAS & MINING

December 26, 2002

Division of Oil, Gas, and Mining
P.O. Box 145801
Salt Lake City, UT 84114-4820
Attn: Brad Hill

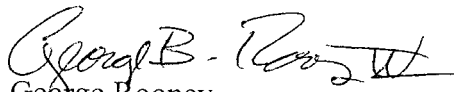
Dear Brad,

Enclosed are completion reports for the new wells in Gordon Creek operated by Klabzuba Oil & Gas Inc. I have provided the information on a Federal Completion Report, as the State form (a pdf file) does not accommodate providing the information requested. Hopefully this is OK.

Klabzuba requests the information associated with these wells be held tight hole for 1 year, as provided by State statutes. I will forward copies of the logs in a few weeks, after we get them in the office.

Please call me at (303) 299-9097 ext. 111 if you have any questions.

Sincerely,


George Rooney

Principal Office

Lexington Place
930 West First Street
Fort Worth, Texas 76102
Phone 817-336-5757 FAX 817-336-5927

Havre Office

48 Second Avenue
P.O. Box 40
Havre, Montana 59501
Phone 406-262-9912 FAX 406-262-9400

Arkoma Basin Office

5908 Jenny Lind Road
Fort Smith, Arkansas 72908-7497
Phone 501-649-0300 FAX 501-649-0500

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Klabzuba Oil & Gas Inc. Operator Account Number: N 1325
Address: 4100 1st Street West
city Havre
state MT zip 59501 Phone Number: (406) 262-9900

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4300730724	Gordon Creek State 19-14-8	senw	19	14S	8E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	13251	7/11/2001	8-20-01		
Comments: <div align="center" style="font-size: 2em; font-weight: bold;">CONFIDENTIAL</div>						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
4300730881	Gordon Creek State 4-18-14-8	sese	18	14S	8E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	13665	11/4/2002	11-18-02		
Comments: Spud Date: 01/11/79 Re-Entry Date: 10/08/02 <div align="center" style="font-size: 2em; font-weight: bold;">CONFIDENTIAL</div>						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
4300730892	Gordon Creek State 1A-18-14-8	sene	18	14S	8E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	13709	11/22/2002	1-21-03		
Comments: <div align="center" style="font-size: 2em; font-weight: bold;">CONFIDENTIAL</div>						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

RECEIVED

JAN 21 2003

DIV. OF OIL, GAS & MINING

George Rooney

Name (Please Print)

Signature

Project Engineer

Title

1/21/2003

Date

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: KLABZUBA OIL & GAS INC

Today's Date: 10/14/2003

Well:

API Number:

Drilling Commenced:

LOGS ONLY NOT RECEIVED

GORDON CREEK STATE 19-14-8

4300730724

GORDON CREEK STATE 19-14-8 (B)

4300730807

GORDON CREEK STATE 1A-18-14-8

4300730892

GORDON CREEK STATE 1-19-14-8

4300730874

GORDON CREEK STATE 4-18-14-8

4300730881

GORDON CREEK UNIT 1

4300730044

OPEN HOLE NEC/IL/DN/GR LOG ONLY

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc:

W. B. F. B.
Compliance File

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas well ☐ Other

2. Name of Operator
KLABZUBA OIL & Gas INC.

3. Address and Telephone No.
700 Seventeenth Street, Suite 1300 Denver, CO 80202 (303) 299-9097

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SE/NW 1948' FNL & 1886' FWL Section 19-T14S-R8E

5. Lease Designation and Serial No.

ML-27908

6. If Indian, Allottee or Tribe Name

NA

7. If unit or CA, Agreement Designation

NA

8. Well Name and No.

Gordon Creek State 19-14-8

9. API Well No.

43-007-30724

10. Field and Pool, or Exploratory Area

Gordon Creek

11. County or Parish, State

Carbon, UT

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletions

☐ Plugging Back

☐ Casing repair

☐ Altering Casing

☒ Other **Severance Tax Exemption**

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-off

☐ Conversion to Injector

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Klabzuba Oil & Gas Inc. is requesting a severance tax exemption under rule 649-3-35. Supporting documents attached.

14. I hereby certify that the foregoing is true and correct

Signed

George B. Rooney
George Rooney

Title

Project Engineer

Date

02.18.04

(This space of Federal or State office use.)

Approved by

Title

Date

Conditions of approval, if any:

COPY SENT TO OPERATOR

Date:

Initials:

4-26-04

CHD

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly to make to any department of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

THIS REQUEST FOR WILDCAT WELL DESIGNATION IS BEING DENIED (see attached Statement of Basis).

CC: STATE TAX COMMISSION

Dorothy Duff
Utah Division of Oil, Gas and Mining

April 23, 2004

KLABZUBA OIL & GAS
A FAMILY LIMITED PARTNERSHIP

Legacy Tower
700 Seventeenth Street, Suite 1300
Denver, Colorado 80202-3512
Phone: 303-299-9097 Fax: 303-299-9087

March 4, 2004

Division of Oil, Gas, and Mining
P.O. Box 145801
Salt Lake City, UT 84114-4820
Attn: Dustin Doucet

Dear Dustin,

Klabzuba Oil & Gas Inc is requesting the Utah DOGM consider the Burnside 29-14-8 and the Gordon Creek State 19-14-8 wells as candidates for the Rule 649-3-35 severance tax exemption. Enclosed are sundry notices, maps, pressure data, wellbore diagrams, and a cross section. The Gordon Creek Unit #1 is included in the cross section, as it is our type log for the area. The GCU #1 was drilled and plugged in 1979, and considered non-productive. Klabzuba has re-entered and completed this well as a producer in the Ferron C in 2003 after the GCS 19-14-8 and GCS 19-14-8(B) were drilled and completed as producing gas wells in 2002. The Burnside 29-14-8 well was the first well drilled, followed by the GCS 19-14-8. KOG considers the Burnside well a marginal producer, and has not connected the well to the gathering system at this time due to connection costs.

The cross section shows the section from Blue-Gate marker to the top of the Ferron B. KOG has determined that the A, B, and C sections are all connected, and has limited production in all the existing wellbores to the Ferron C (uppermost producing interval).

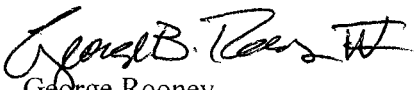
In 2003 KOG drilled 4 additional wells located in sections 18 and 19. These well are shown on the attached plat. The nearest producing wells to KOG's Gordon Creek production are operated by Conoco-Phillips and are located in sections 22 and 27 T14S R8E. These wells are outside the 1 mile radius, and are coal bed production versus the more conventional gas sand production in Gordon Creek.

Please look over the attached documents to verify I have prepared all the required information. I will give you a call next week to follow up. If the materials are satisfactory I will mail hard copies to DOGM.

Klabzuba asks DOGM to keep the pressure data information and cross section confidential.

I can be contacted at 303-382-2177(W) or 303-619-1908© if you have any questions.

Sincerely,


George Rooney

RECEIVED

MAR 10 2004

DIV. OF OIL, GAS & MINING

Principal Office
Lexington Place
930 West First Street
Fort Worth, Texas 76102
Phone 817-336-5757 FAX 817-336-5927

Havre Office
48 Second Avenue
P.O. Box 40
Havre, Montana 59501
Phone 406-262-9912 FAX 406-262-9400

Arkoma Basin Office
5908 Jenny Lind Road
Fort Smith, Arkansas 72908-7497
Phone 501-649-0300 FAX 501-649-0500

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

5. LEASE DESIGNATION AND SERIAL NO.

ML-27908

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT NAME

NA

8. FARM OR LEASE NAME, WELL NO.

Gordon Creek State

9. WELL NO.

19-14-8

10. FIELD AND POOL OR WILDCAT

NA

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

SE/NW Sec. 19, Twp. 14S, Rng. 8E

1a. TYPE OF WORK

OIL

WELL ☐

GAS

WELL ☒DRY ☐

Other

1b. TYPE OF WELL

NEW

WELL ☒

W

OR

K ☐DEEPEN ☐

PLUG

BACK ☐

DIFF

RESVR. ☐

Other

2. NAME OF OPERATOR

Klabzuba Oil & Gas Co.

3. ADDRESS AND TELEPHONE NO.

700 17th St. Suite 1300 Denver, CO 80202

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*

At Surface

1948' FNL & 1886' FWL (SE/NW) Sec. 19, Twp. 14S, Rng. 8E

At top prod. Interval reported below

Same

At total depth

Same

14. API NO.

43-007-30724

DATE ISSUED

2/12/01

12. COUNTY OR PARISH

Carbon

13. STATE

UT

15. DATE SPUDDED

7/11/01

16. DATE T.D. REACHED

7/19/01

17. DATE COMPL. (Ready to prod.)

10/17/01 SI WO pipeline

18. ELEVATIONS (DF. RKB, RT. GR. ETC.)*

7628' GR

19. ELEV. CASINGHEAD

7633' KB

20. TOTAL DEPTH, MD & TVD

3802' KB

21. PLUG BACK T.D., MD & TVD

3761' KB

22. IF MULTIPLE COMPL.

HOW MANY*

3

23. INTERVALS

DRILLED BY

----->

ROTARY TOOLS

X

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*

Ferron SS 3524' - 3736'

25. WAS DIRECTIONAL
SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Cased Hole DIGL/SP/CDL/GR/Cal

27. WAS WELL CORED

No

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
9-5/8" - J-55	36#	547'	12-1/4"	To surface with 305 sxs of Class G	
7" - J-55	20#	2037'	8 3/4"	140 sxs 50/50 Poz & 65 sxs of Class G	
4 1/2" - I-80	11.6#	3803'	6 1/4"	140 sxs of 50/50 poz & 102 sxs of Class G	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	EOT @	
						3501' KB	

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)			32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
INTERVAL	SIZE	SPF/#shots	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
(Ferron A sand) 3730' - 3736'	0.42"	4/24	Same	Acidize w/500 gal 15% HCL Frac w/ 47,000# 16/30 sand in 570 bbls. f
(Ferron B sand) 3611' - 3646'	0.42"	4/60	Same	Frac w/ 100,000# 16/30 sand in 1048 bbls. fluid.
(Ferron C sand) 3524' - 3544'	0.42"	4/80	Same	Acidize w/300 gal 7 1/2% HCL, 750 gal MCA acid, & then 300 gal 7 1/2 %

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)					WELL STATUS (Producing or shut-in)	
Shut in, waiting on pipeline		Flowing					Producing as of 12/12/02	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL--BBL.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO	
10/01								
Ferron C & Ferron B			---->	C interval-1750	B interval-515	C-none B-3 bbl/hr		# 0
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)		
330 psig Ferron C	460 psig Ferron C							
125 psig Ferron B	310 psig Ferron B		---->	C interval-1750	B interval-515			

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

NA

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE

Petroleum Engineer

DATE

2/18/2004

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
			Gorden Creek State 19-14-8	Emery SS Member (Mancos)	@ surface	
				L. Mancos (Base Sandy Zones)	2372'	
				Mancos Blue Gate Marker	3370'	
				Ferron Top	3484'	
				Ferron Marine	3538'	
				Lower Ferron Sand	3890'	

Gordon Creek State 19-14-8

Spud Date: 7/11/01

Put on Production: 12/12/02

GL: 7628' KB: 7633' *Note: Actual GL: 7625'

Wellbore Diagram

Updated 08/01/03

Initial Production: 1000 MCFPD

SURFACE CASING

CSG SIZE: 9-5/8"

GRADE: J-55

WEIGHT: 36#

LENGTH: 539'

DEPTH LANDED: 547' KB

HOLE SIZE: 12-1/4"

CEMENT DATA: 305 sxs

INTERMEDIATE CASING

CSG SIZE: 7"

GRADE: J-55

WEIGHT: 20#

LENGTH: 2029'

DEPTH LANDED: 2037' KB

HOLE SIZE: 8 3/4"

CEMENT DATA: 140 sxs 50/50 poz & 65 sxs of Class G

CEMENT TOP AT: Surface

PRODUCTION CASING

CSG SIZE: 4-1/2"

GRADE: I-80

WEIGHT: 11.6#

LENGTH: 90 jts. (3795')

DEPTH LANDED: 3803' KB

HOLE SIZE: 6 1/4"

CEMENT DATA: 140 sxs 50/50 poz & 102 sxs Class G

CEMENT TOP AT: 2640' per CBL

TUBING

SIZE/GRADE/WT.: 2-3/8" / J-55 / 4.7#

NO. OF JOINTS: 109 (3522')

SN: None

No-Turn Tool: On bottom of Stator

EOT @ 3565' KB

SUCKER RODS

POLISHED ROD:

SUCKER RODS: 140 - 7/8" plus ponies

PUMP SIZE: PC Pump

STROKE LENGTH:

PUMP SPEED:

Logs

LOGS: Open Hole DILs across Ferron C

Cased hole DIL/DN/GR?CAL

Klabzuba Oil & Gas Co.

Gordon Creek 19-14-8

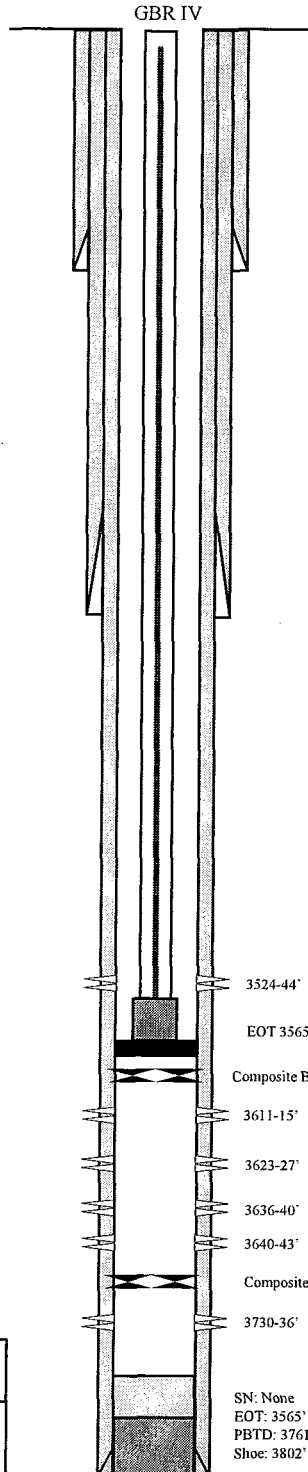
1948' FNL & 1886' FWL

SE/NW Section 19-T14S-R8E

Carbon Co, Utah

API #43-007-30724

State of Utah Lease # - ML-27908



Well Completion

09/15/01 3730-3736' Acidize as follows:

Ferron A

500 gals 15% HCL. Then Frac with 47,000# of 16/30 sand in 570 bbl of gelled fluid @ 13-15 BPM. Press - 900-1800 psig. ISIP 950 psig.

09/29/01 3611-3646' Frac as follows:

Ferron B

100,000# 16/30 sand in 1048 bbls of gelled fluid @ 40.5 BPM 1600-2200 psig. Job screened out with 20 bbl flush remaining.

10/11/01 3524-3544' Acidize as follows:

Ferron C

300 gals of 7 1/2 % HCL, then 750 gals of MCA (7 1/2 % HCL & 1 1/2 % HF), then 300 gals of 7 1/2 % HCL @ 7+ BPM ISIP 120 psig.

PERFORATION RECORD

Date	Depth Range	Tool	Holes
10/11/01	3524-44'	4 JSPF	80 holes
09/28/01	3611-15'	4 JSPF	16 holes
09/28/01	3623-27'	4 JSPF	16 holes
09/28/01	3636-40'	4 JSPF	16 holes
09/28/01	3643-46'	4 JSPF	12 holes
09/14/01	3730-36'	4 JSPF	24 holes

SN: None
EOT: 3565' KB
PBTD: 3761' KB
Shoe: 3802' KB

Gordon Creek 19-14-8 (B) Pressure Buildup Data

$(T_p + DT) / DT$

T_p = flow time or Cum Prod/last Prod Rate

Ferron C - 3610-16' & 3638-68'

Ferron B - 3718-40' & 3752-70'

Flow Period Data

Ferron C - 3610-16' & 3638-68'

Well Data

$S_w = 0.6$

Porosity (%) = 0.09

Net Thickness (FT) 30

Spacing (Acres) = 160

S.G. (Air = 1.0) = 0.5647

Bottom Hole Pressure (psia) = 876

Initial Reservoir Pressure (psia) = 876

Bottom Hole Temp (F) = 112

Psc (psia) = 14.65

Tsc (F) = 60

Bg (SCF/RCF) = 59.35

Bg (RCF/SCF) = 0.01685

Date	MCFD	Time (hrs)
11/30/01	1570	20
12/01/01	1975	24
12/02/01	1880	24
12/03/01	2180	24
12/04/01	1863	24
12/05/01	365	5
Total	9,833	121
Last Rate	1751	
Last Press.	540 psia (surf)	582 (psia)

Shut-in Period Data

Ferron C - 3610-16' & 3638-68'

$T_p = 121$ or 135

135

ie. $(9833/1751) * 24$

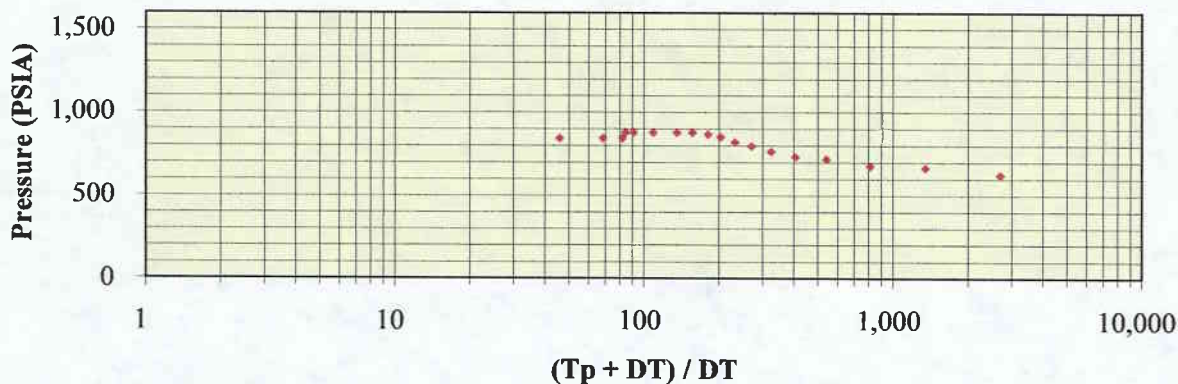
Time (hr)	Surface Press. (Psia)	Bottom Hole Press. (Psia)	$(T_p + DT)/DT$	Press. Squared	$SQRT(T_p + DT)$ minus $SQRT(DT)$
0.0000	540.0	585.0		342,225	
0.0500	576.6	621.0	2,701.00	385,641	11.3975
0.1000	614.4	663.0	1,351.00	439,569	11.3070
0.1667	624.0	674.0	810.84	454,276	11.2178
0.2500	663.3	716.0	541.00	512,656	11.1297
0.3333	675.4	729.0	406.04	531,441	11.0560
0.4167	703.8	761.0	324.97	579,121	10.9913
0.5000	735.0	794.0	271.00	630,436	10.9333
0.5833	756.2	817.0	232.44	667,489	10.8803
0.6667	784.1	848.0	203.49	719,104	10.8311
0.7500	799.4	864.0	181.00	746,496	10.7852
0.8667	810.3	876.0	156.76	767,376	10.7252
1.0000	810.3	876.0	136.00	767,376	10.6619
1.2500	810.3	876.0	109.00	767,376	10.5546
1.5000	810.3	876.0	91.00	767,376	10.4586
1.6167	810.3	876.0	84.50	767,376	10.4168
1.6667	777.6	841.0	82.00	707,281	10.3994
2.0000	777.6	841.0	68.50	707,281	10.2905
3.0000	777.6	841.0	46.00	707,281	10.0153

Flat for 30 days

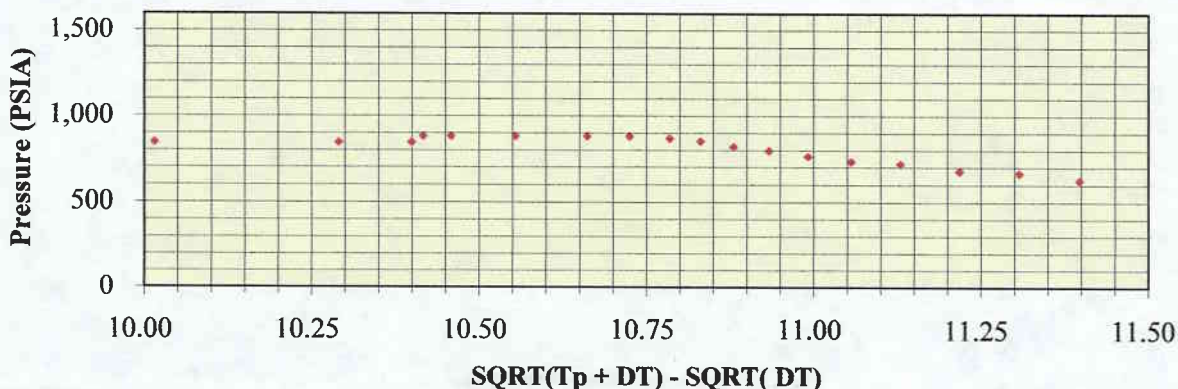
777.6

841.0

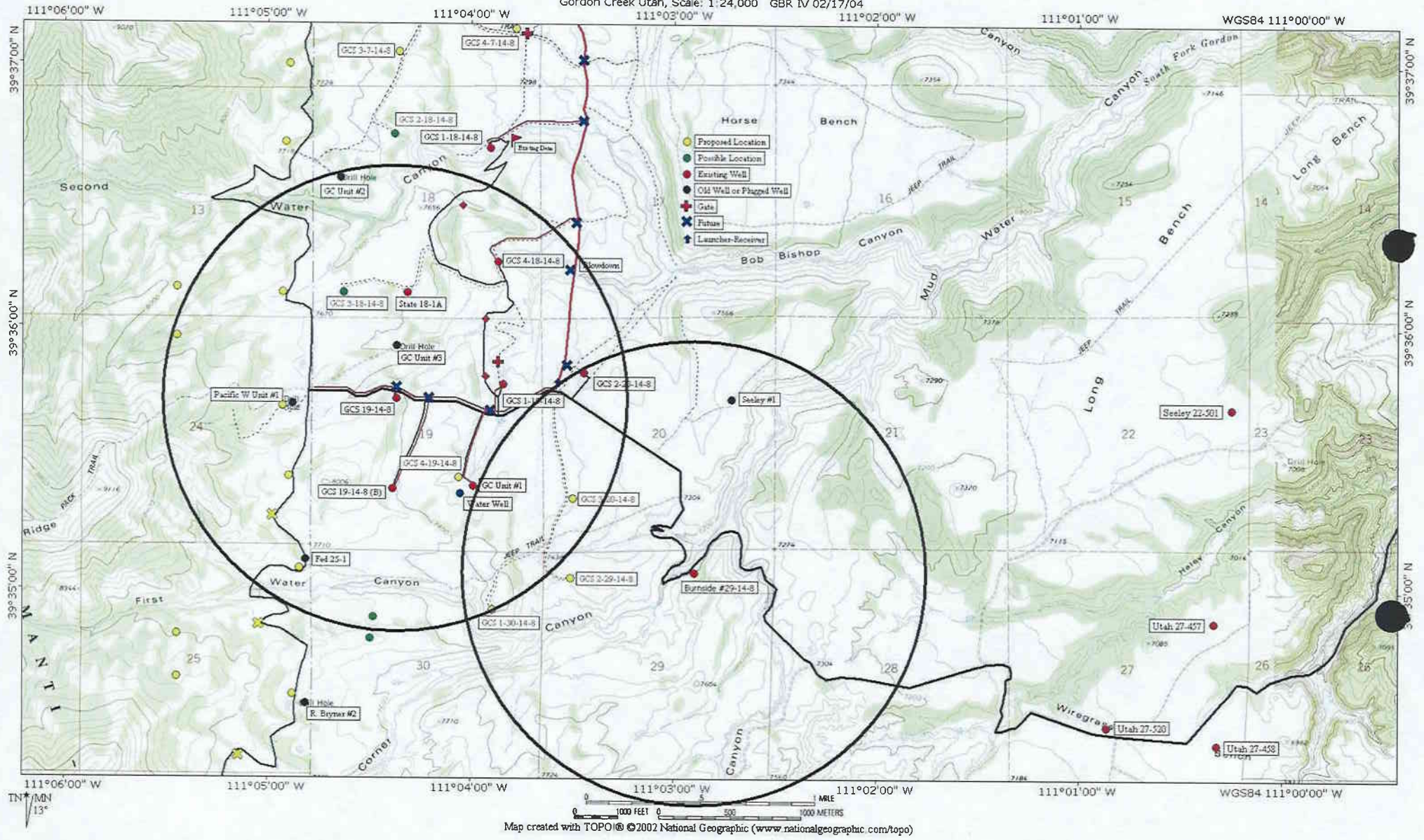
Horner Plot (Ferron C)



Square Root of Time Plot (Ferron C)



Gordon Creek Utah, Scale: 1:24,000 GBR IV 02/17/04



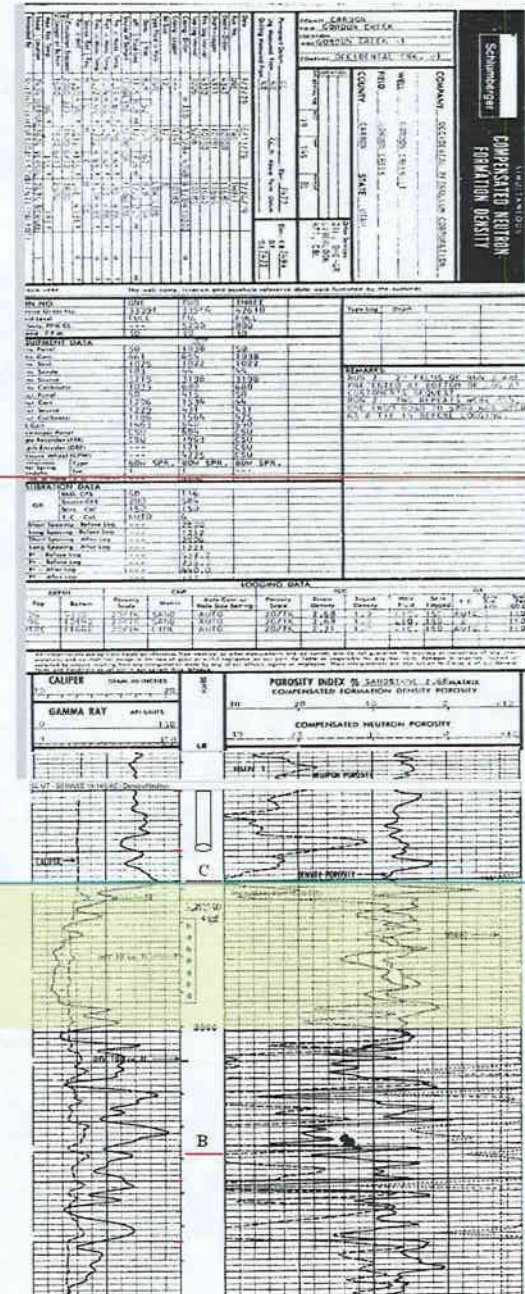
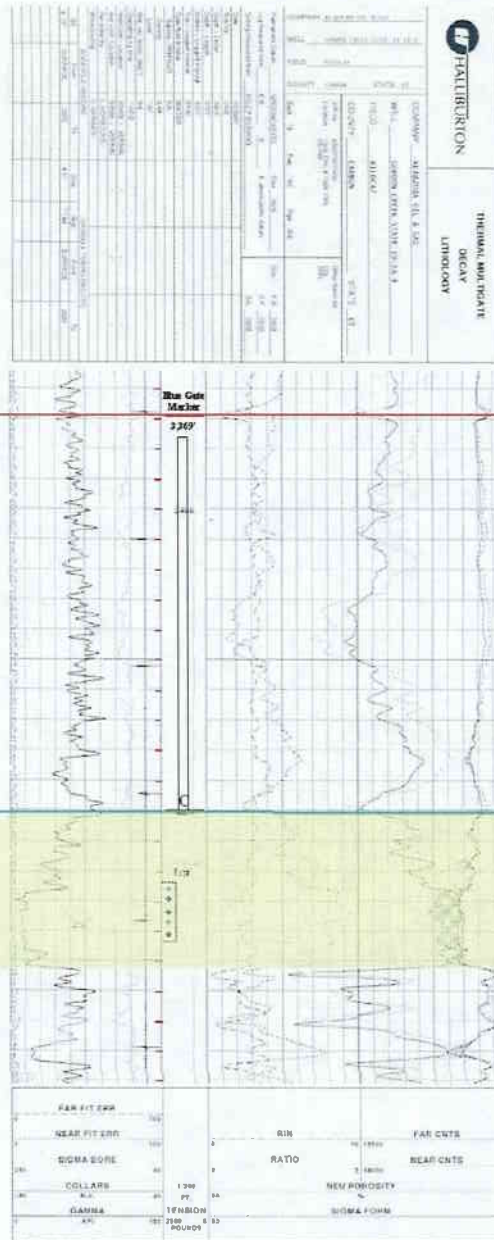
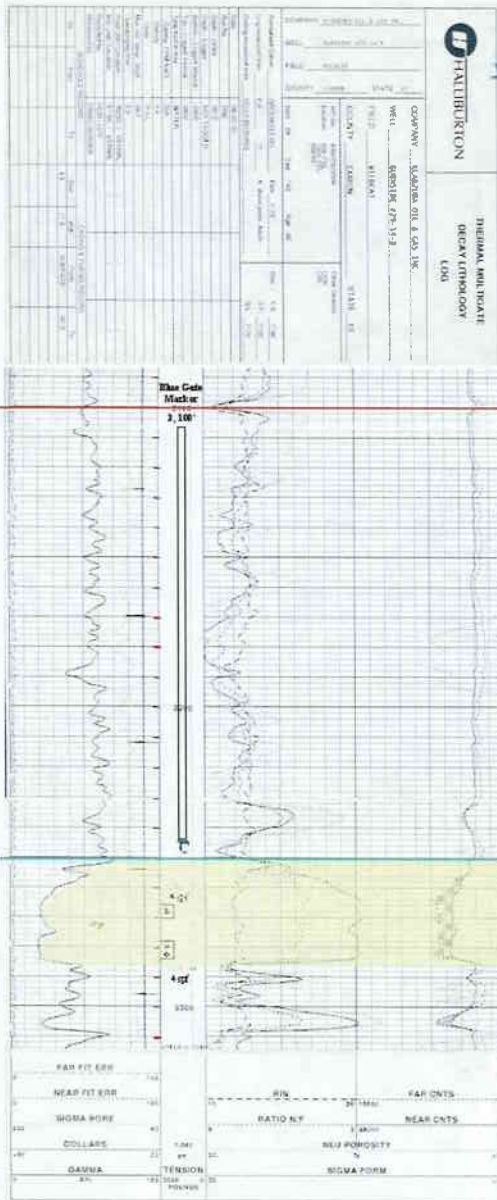
Map created with TOPO® © 2002 National Geographic (www.nationalgeographic.com/topo)

Gordon Creek Cross Section

02/18/04 GBR IV

Blue Gate Marker

Ferron Top



DIVISION OF OIL, GAS AND MINING
Wildcat Well Determination
STATEMENT OF BASIS

Applicant: Klabzuba Oil and Gas

Location: SENE Sec. 19 T14S, R8E, Carbon County, Utah

WELL NAME: Gordon Creek State 19-14-8 **API #:** 43-007-30724

FINDINGS

1. This well is $\pm 1000'$ south of the Gordon Creek Unit #3 well.
2. The Gordon Creek Unit #3 well was drilled, tested and completed in 1952 in the Ferron formation.
3. Drill Stem Tests in the GCU #3 well showed similar pressures and Production rates to the GCS 19-14-8 well.
4. Several other wells were drilled and tested through the Ferron formation prior to drilling the GCS 19-14-8 well.
5. The Gordon Creek Field and Unit were established based off of the discoveries from these wells and the GCU #3 well was considered the discovery well for the Ferron formation. See attached copy of Field history excerpt from UGA publication 22.
6. The Wildcat Tax Credit application was received 2+ years after completion of the GCS 19-14-8 well and ± 1 year after production was commenced and submittal of the Well Completion Report (see submittal requirements in R649-3-35-1).

CONCLUSIONS

Based off of the findings above the Division has determined the GCS 19-14-8 well was drilled into a known producing area for the Ferron formation. No information to the contrary was submitted. The application was also received after the Well Completion Report was submitted (R649-3-35-1) and after production had commenced in the area. Therefore, the Division finds that this well does not qualify for the severance tax exemption under Section 59-5-102(2)(d) for wildcat wells. This determination was made in accordance with Oil and Gas General Conservation Rule R649-3-35. If the operator disagrees with this determination, the decision may be appealed to the Board of Oil Gas and Mining.

Reviewer(s): Dustin K. Doucet

DKD

Date: 4/23/2004

Thomas C. Chidsey, Jr.
Utah Geological Survey,
Salt Lake City, Utah

Lara Chamberlain
Sacramento State University,
Sacramento, California

GENERAL FIELD DATA

Regional Setting: Eastern Wasatch Plateau

Producing Formation(s): Permian - White Rim (Coconino, Cedar Mesa equivalent formations) Sandstone (carbon dioxide); Triassic - Moenkopi Formation, Sinbad Limestone Member (carbon dioxide); Cretaceous - Mancos Shale, Ferron Sandstone and Blue Gate Shale Members (combustible gas)

Type of Trap: Faulted anticline

Exploration Method Leading to Discovery: Surface geologic mapping

Other Significant Shows: Gas shows in the Jurassic - Navajo Sandstone (carbon dioxide) and Cretaceous - Dakota Sandstone (combustible gas)

Oldest Stratigraphic Horizon Penetrated: Pennsylvanian - Hermosa Group

Surface Formation(s): Cretaceous - Star Point Sandstone; Cretaceous - Mancos Shale, Emery Sandstone and Upper Blue Gate Shale Members

Spacing: 640 acres

Productive Area: 8,320 acres

Completion Practice: Acidization

Logging Practice: Early wells had electrical logs with SP, radioactivity logs, and some micrologs; newer wells have GR-DIL-SFL with SP, GR-DLL with SP, FDC-CNL-GR, BHC-Sonic-GR, SWNL-GR, Mudlog

Number of Producing Wells: 0

Number of Abandoned Producers: 3

Number of Dry Holes: 3, within designated field area

Number of Shut-in Wells: 1

Number of Disposal Wells: 0

Number of Secondary Recovery Injection Wells: 0

Market for Production: Salt Lake City for combustible gas; future secondary/tertiary oil-recovery projects in the Utah thrust belt, Uinta and Paradox basins for carbon dioxide.

Method of Transportation: None; Questar Pipeline Company's 20-inch diameter line is 3 miles (4.8 km) north of the field for combustible gas; pipeline for carbon dioxide would have to be constructed.

Major Operators: Forecenergy Gas Exploration, Inc.

DISCOVERY WELL (White Rim Sandstone)

Name: Gordon Creek Unit 1 (Pacific Western Oil Corp.)

Location: SE/NE Sec. 24, T. 14 S., R. 7 E.

Date of Completion: December 31, 1947

Initial Potential: 8,880 MCFGPD (carbon dioxide)

Initial Pressure: 4,200 psi

GORDON CREEK

T. 14 S., R. 7-8 E., SLB&M
Carbon County, Utah

Perforations: 11,657-12,006' (drill-stem test)

Treatment: No treatment in discovery well; acidized with 5,000 gallons of HCl in the 2 Richard Bryner well (Skelly Oil Co.), NE/SE Sec. 25, T. 14 S., R. 7 E.

Casing: 13 3/8" @ 650', 9 5/8" @ 4,567', 5 1/2" @ 10,877'

Total Depth: 12,146'

Elevation: 7,700' GR (estimated)

RESERVOIR DATA

Producing Formation: White Rim Sandstone

Lithology: Sandstone

Type of Drive: Gas expansion

Net Pay Thickness: 175'

Geometry of Reservoir Rock: Massive, horizontally bedded sandstone; 500 to 700' thick

Porosity: 8-12%

Permeability: NA

Water Saturation: NA

Rw and/or Salinity: NA

Bottom Hole Temperature: 192°F @ 11,470' by geophysical logs

Gas-Oil Ratio: NA

Initial Field Pressure: 4,200 psi

Present Field Pressure: 4,200 psi

Oil and/or Gas Characteristics: BTU/R³ - 1.4, specific gravity - 1.512, carbon dioxide - 98.82%, nitrogen - 1.03%, oxygen - 0.01%, methane - 0.14%, hydrogen sulfide - 0.0%.

Original Gas, Oil and Water Contact: Unknown

Cumulative Production: 0

Estimated Primary Recovery: 121 BCFG

Type of Secondary Recovery: None

Estimated Secondary Recovery: None

Estimated Ultimate Recovery: 121 BCFG

DISCOVERY WELL (Moenkopi Formation, Sinbad Limestone Member)

Name: Gordon Creek Unit 1 (Pacific Western Oil Corp.)

Location: SE/NE Sec. 24, T. 14 S., R. 7 E.

Date of Completion: December 31, 1947

Initial Potential: 8,500 MCFGPD (carbon dioxide)

Initial Pressure: 3,900 psi

Perforations: 10,890-10,980'

Treatment: No treatment in discovery well; acidized with 1,000 gallons of HCl in the 2 Richard Bryner well (Skelly Oil Co.), NE/SE Sec. 25, T. 14 S., R. 7 E.

Casing: 13 3/8" @ 650', 9 5/8" @ 4,567', 5 1/2" @ 10,877'

Total Depth: 12,146'

Elevation: 7,700' GR (estimated)

RESERVOIR DATA

Producing Formation: Moenkopi Formation, Sinbad Limestone Member
Lithology: Limestone
Type of Drive: Gas expansion
Net Pay Thickness: 23'
Geometry of Reservoir Rock: Horizontally bedded, fractured limestone; 50 to 60' thick
Porosity: 6% estimated
Permeability: NA
Water Saturation: NA
Rw and/or Salinity: NA
Bottom Hole Temperature: 198°F @ 11,009' by geophysical logs
Gas-Oil Ratio: NA
Initial Field Pressure: 3,900 psi
Present Field Pressure: 3,900 psi
Oil and/or Gas Characteristics: BTU/ft³ - 8, specific gravity - 1.527, carbon dioxide - 99.5%, methane - 0.1%, ethane - 0.1%, higher fractions - 0.1%, oxygen - 0.1%, helium - trace, argon - trace, hydrogen sulfide - 0.0%, nitrogen - 0.0%.
Original Gas, Oil and Water Contact: Unknown
Cumulative Production: 0
Estimated Primary Recovery: 18.63 BCFG
Type of Secondary Recovery: None
Estimated Secondary Recovery: None
Estimated Ultimate Recovery: 18.63 BCFG

DISCOVERY WELL (Mancos Shale, Ferron Sandstone Member)

Name: Gordon Creek Unit 3 (Pacific Western Oil Corp.)
Location: NE/NW Sec. 19, T. 14 S., R. 8 E.
Date of Completion: November 20, 1952
Initial Potential: 1,500 MCFGPD (combustible gas)
Initial Pressure: 1,000 psi
Perforations: 3,416-3,516'
Treatment: Acidized with 3,000 gallons of HCl
Casing: 13 3/8" @ 235', 5 1/2" @ 4,221'
Total Depth: 4,357'
Elevation: 7,666' KB

RESERVOIR DATA

Producing Formation: Mancos Shale, Ferron Sandstone Member
Lithology: Sandstone
Type of Drive: Gas expansion
Net Pay Thickness: 65'
Geometry of Reservoir Rock: Fluvial, lenticular sandstone; net sand values range from 108 to 271'
Porosity: 10-14%
Permeability: NA
Water Saturation: NA
Rw and/or Salinity: NA
Bottom Hole Temperature: 99°F @ 4,320' by geophysical logs
Gas-Oil Ratio: NA

Initial Field Pressure: 1,000 psi
Present Field Pressure: 1,000 psi
Oil and/or Gas Characteristics: NA; combustible gas
Original Gas, Oil and Water Contact: Unknown
Cumulative Production: 0
Estimated Primary Recovery: NA
Type of Secondary Recovery: None
Estimated Secondary Recovery: None
Estimated Ultimate Recovery: NA

DISCOVERY WELL (Mancos Shale, Blue Gate Shale Member)

Name: State 18-1A (Mosbacher Production Co.)
Location: SE/SW Sec. 18, T. 14 S., R. 8 E.
Date of Completion: July 30, 1982
Initial Potential: 1,000 MCFGPD combustible gas)
Initial Pressure: NA
Perforations: 1,910-2,859' (open-hole)
Treatment: NA
Casing: 13 3/8", @ 400', 9 5/8" @ 1,910', 4 1/2" liner 1,900-2,844'
Total Depth: 2,859'
Elevation: 7,634' KB

RESERVOIR DATA

Producing Formation: Mancos Shale, Blue Gate Shale Member
Lithology: Shale
Type of Drive: Gas expansion
Net Pay Thickness: Unknown; reservoir rock is fractured
Geometry of Reservoir Rock: Horizontally bedded shale; ± 2,500' thick
Porosity: Unknown; reservoir rock is fractured
Permeability: NA
Water Saturation: NA
Rw and/or Salinity: NA
Bottom Hole Temperature: Too low to measure according to log header
Gas-Oil Ratio: NA
Initial Field Pressure: NA
Present Field Pressure: NA
Oil and/or Gas Characteristics: NA; combustible gas
Original Gas, Oil and Water Contact: NA
Cumulative Production: 0
Estimated Primary Recovery: NA
Type of Secondary Recovery: None
Estimated Secondary Recovery: None
Estimated Ultimate Recovery: NA

COMMENTS

Carbon dioxide trends in Utah are underlain by a thick section of Paleozoic carbonate rocks. The likely origin for the carbon dioxide in Gordon Creek field is from metamorphism of these carbonate rocks by igneous intrusive rocks or deep burial (Chidsey and Morgan, 1993). Large volumes of carbon dioxide can be generated by the thermal decomposition of limestone by direct

contact with igneous intrusions and/or heated ground water. The nearest known intrusive rocks are over 60 miles (96.6 km) to the south, requiring long-distance migration of the carbon dioxide. The heat flow in the Gordon Creek field and most carbon dioxide-prone areas of Utah is greater than 1.5 heat flow units (Lachenbruch and Sass, 1980). The biogenic alteration of organic matter and dissolution of limestone by ground water are not capable of generating the quantity of reserves present in Gordon Creek field, but may be minor contributors (Morgan and Chidsey, 1991).

Carbon dioxide is used for secondary recovery of oil in the Greater Aneth field of the southern Paradox basin. As production from other major oil fields in Utah continues to decline, the need for carbon dioxide for secondary recovery projects will increase. Gordon Creek field represents an untapped carbon dioxide resource, but will require construction of a pipeline.

The hydrocarbon potential of the fluvial-deltaic Ferron Sandstone and fractured Blue Gate Shale at Gordon Creek field is unknown and needs to be further evaluated. Anderson (1991) describes the landward pinch-outs of nearshore marine sandstones from outcrops of the Ferron Sandstone to the southeast. These types of pinch-outs may form traps in the Gordon Creek field. Current studies on geologic and reservoir characteristics of the Ferron Sandstone will improve development and completion strategies for Ferron reservoirs in Gordon Creek and other similar reservoirs. Questar Pipeline Company's 20-inch line is 3 miles (4.8 km) north of the field.

REFERENCES

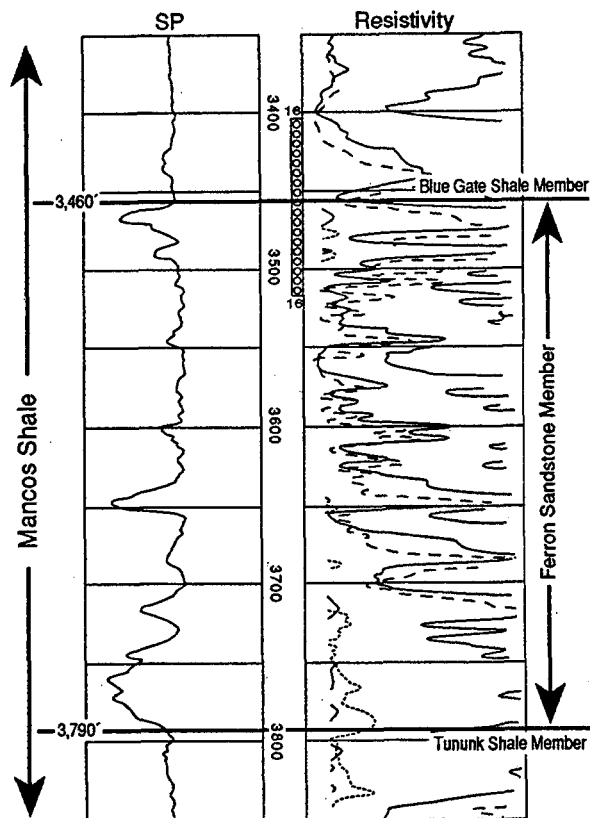
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Gordon Creek Field

Carbon County, Utah

Ferron Sandstone

Pacific Western Oil Corp.
Gordon Creek Unit 3
19-14S-8E
KB 7,666'

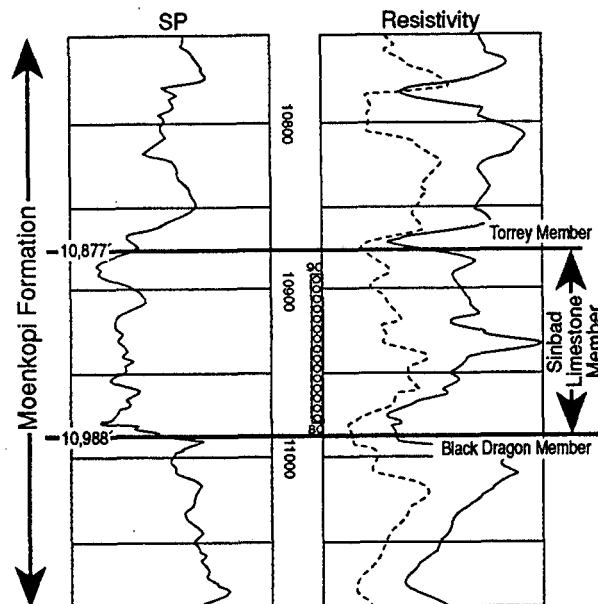


TD 4,357'

Prod. Int.: 3,416-3,516'
IP: 1,500 MCFGPD
Completed: 11-20-52

Sinbad Limestone

Pacific Western Oil Corp.
Gordon Creek Unit 1
24-14S-7E
GR 7,700'est.

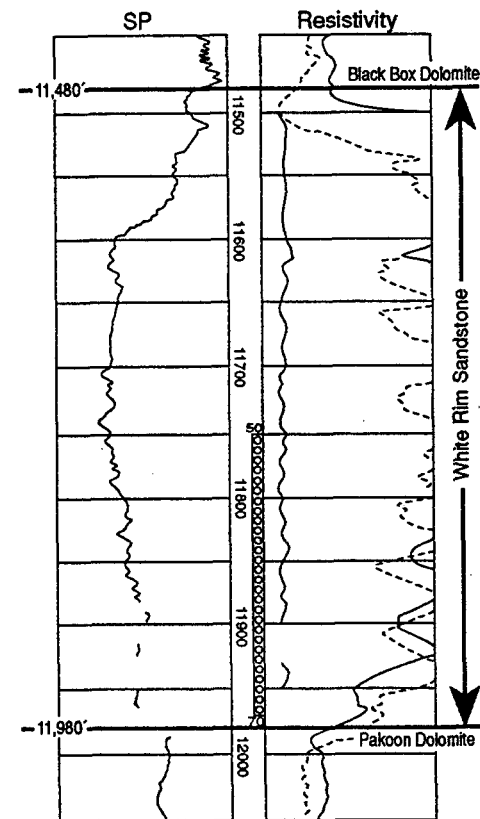


TD 12,146'

Prod. Int.: 10,890-10,980'
IP: 8,500 MCFGPD
Completed: 12-31-47

White Rim Sandstone

Skelly Oil Co.
2 Richard Bryner
25-14S-7E
KB 7,614'



TD 12,293'

Prod. Int.: 11,750-11,970'
IP: 6,520 MCFGPD
Completed: 12-05-56

Type Logs

Gordon Creek Field

Carbon County, Utah

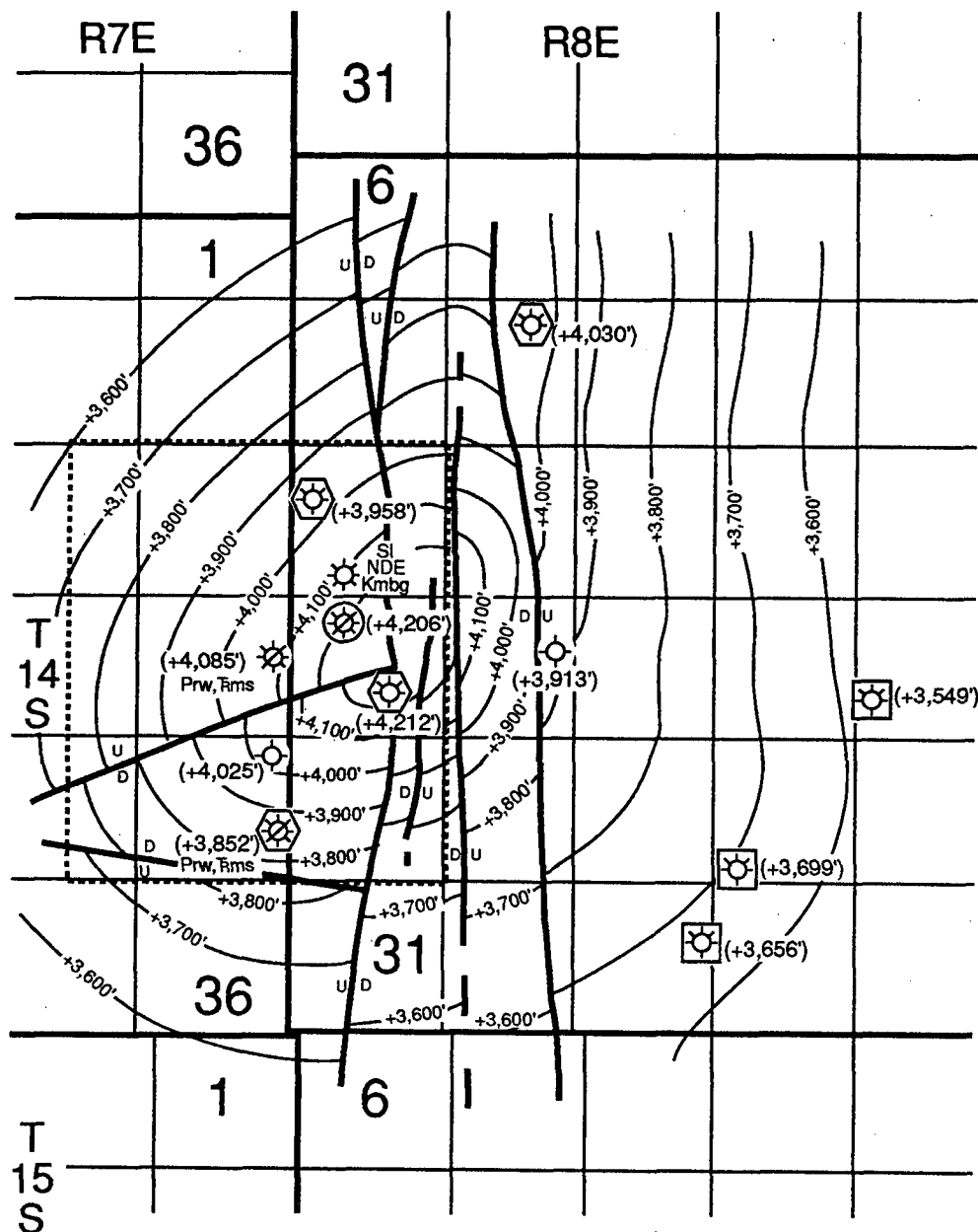
Explanation

- | | | | |
|-------------------|---|---|------------------------|
| ☼ _{SI} | Shut-in gas well | ☼ | Dry hole |
| ☼ | Abandoned gas well | ☼ | Dry hole with gas show |
| ☼ _{Kmbg} | Productive in Cretaceous Blue Gate Shale Member, Mancos Shale based on completion or drill-stem test | | |
| ☼ _{Rms} | Productive in Triassic Sinbad Limestone Member, Moenkopi Formation based on completion or drill-stem test | | |
| ☼ _{Pwr} | Productive in Permian White Rim Sandstone based on completion or drill-stem test | | |
| ☼ | Ferron completion | | |
| ☼ | Ferron completion attempt | | |
| ☼ | Ferron drill-stem test | | |
| NDE | Not deep enough to penetrate the Ferron | | |
| ----- | Designated field boundary | | |

Structure Map

Contours on top of Ferron Sandstone Member of the Mancos Shale
C.I. 100 ft

Map compiled from: Subsurface data; Walton, 1954; Peterson, 1961.



M. Lee Allison¹, Susan J. Lutz², and Gary C. Mitchell³

¹Utah Geological Survey, ²University of Utah Research Institute, ³Consultant

GENERAL FIELD DATA

Regional Setting: North plunge of the San Rafael Swell
Producing Formation(s): Triassic-Moenkopi Formation (Torrey, Sinbad, and Black Dragon Members)
Type of Trap: Structural-stratigraphic (fracture dependent)
Exploration Method Leading to Discovery: Recompletion of a 1953 Mississippian test (well was originally drilled on seismic data) using oil saturation data from core and DST results
Other Significant Shows: CO₂ in Mississippian @ 7,831-7,930'
Oldest Stratigraphic Horizon Penetrated: Mississippian-Humbug (?)
Surface Formation(s): Lower Cretaceous-Cedar Mountain Formation through Ferron Sandstone and Tununk Shale members of the Cretaceous-Mancos Shale Formation
Spacing: 40 acres
Productive Area: 880 acres (22 producing wells x 40 acres)
Completion Practice: Perf'd 5-1/2" production casing with 4 spf; sand-oil fracturing; short radius horizontal laterals
Logging Practice: Resistivity and GRN originally; GR-DIL-SFL-CAL, CNL-FDC-GR, and/or BHC-Sonic-GR
Number of Producing Wells: 21 active wells, 11 producing
Number of Abandoned Producers: 6
Number of Dry Holes: 11
Number of Shut-in Wells: 20
Number of Disposal Wells: 1
Number of Secondary Recovery Injection Wells: 0
Market for Production: Flying J Refinery, North Salt Lake, Utah
Method of Transportation: Trucked
Major Operators: Seely Oil Co.

DISCOVERY WELL

Name: Cities Service Petroleum Co., 1 Government
Location: NE/NW Sec. 1, T. 16 S., R. 12 E., Emery Co., Utah
Date of Completion: September 21, 1961
Initial Potential: 84.5 BOPD (1% water), Gravity 38.7 API
Initial Pressure: 1,045 + psi (increasing when tool shut-in and packer unseated)
Perforations: 3,872-3,908'
Treatment: 500 gal MA, 2,500 # sand and 2,500 gal oil
Casing: 10-3/4" @ 290', 5-1/2" @ 4,038'
Total Depth: 7,930' plugged back to 3,983'
Elevation: 5,424' GL, 5,435' KB

RESERVOIR DATA

Producing Formation: Triassic-Moenkopi Formation
Lithology: A&B zones (Torrey): thin bedded, rippled sandy siltstone; Sinbad Limestone: oolitic grainstones-packstones;

GRASSY TRAIL

T. 15-16 S., R. 12 E., SLB&M
 Carbon & Emery Counties, Utah

C zone (Black Dragon): thick, crossbedded, upward fining, dolomitic sandstones

Type of Drive: Depletion ?

Net Pay Thickness: 21-36'

Geometry of Reservoir Rock: A&B zones: thickened meanders in locally-developed tidal channels; C zone: channelized estuary-fill deposits of regional extent; Sinbad Limestone: oolitic barrier shoals along shelf edge

Porosity: 1.2-7.0%, Average 3.4% (A&B zones)

Permeability: tr.-68 md, Average 0.55 md

Water Saturation: 17-99%, Average 54.2%

Rw and/or Salinity: 0.07 ohm-m (calculated)

Bottom Hole Temperature: 136° F @ 7,930' (Miss.), approximately 100° F @ 3,900' (Moenkopi)

Gas-Oil Ratio: <100:1 est.

Initial Field Pressure: 1,045 + psi (increasing when tool shut-in and packer unseated)

Present Field Pressure: Not known

Oil and/or Gas Characteristics: Oil: specific gravity 0.823, pour point <5° F, visc. 100° F @ 38.8 sec., sulfur 0.18%, nitrogen 0.012%, API gravity 37.8-40.4°; Gas: see "Gas Analysis Table"

Original Gas, Oil and Water Contact: NA

Cumulative Production: 540,088 BO, 150,378 MCF, 76,914 BW (9/92)

Estimated Primary Recovery: 650,000 BO

Type of Secondary Recovery: NA

Estimated Secondary Recovery: NA

Estimated Ultimate Recovery: 650,000 BO

COMMENTS

77 short radius laterals totaling 20,532.5' in length (33 productive, 11,084.5'; 44 dry, 9,448') in 18 wells (includes Sections 4-5, T. 16 S., R. 12 E.)

Zone	Prod.	Lengths laterals	Dry laterals	Lengths	Member
A	18	5,776'	13	2,673.5'	Torrey
B	2	452'	3	584'	Torrey
C	12	4,412.5'	28	6,190.5'	Blk. Dragon
Sinbad	1	244'	0	0	Sinbad
total	33	11,084.5'	44	9,448'	

Fracture spacing 100-200', average 140'. Dominant trend of open fractures N5°E. Dominant trend of filled fractures N65°W.

R649-3-35. Wildcat Wells.

1. For purposes of qualifying for a severance tax exemption under Section 59-5-102(2)(d), an operator must file an application with the division for designation of a wildcat well.

The application may be filed prior to drilling the well, and a tentative determination of the wildcat designation will be issued at that time. An application or request for final designation of wildcat status as appropriate, must be filed at the time of filing of Form 8, Well Completion or Recompletion Report and Log.

The application shall contain, where applicable, the following information:

1.1. A plat map showing the location of the well in relation to producing wells within a one mile radius of the wellsite.

1.2. A statement concerning the producing formation or formations in the wildcat well and also the producing formation or formations of the producing wells in the designated area, including completion reports and other appropriate data.

1.3. Stratigraphic cross sections through the producing wells in the designated area and the proposed wildcat well.

1.4. A statement as to whether the well is in a known geologic structure. However, whether the well is in a known geologic structure shall not be the sole basis of determining whether the well is a wildcat.

1.5. Bottomhole pressures, as applicable, in a wildcat well compared to the wells producing in the designated area from the same zone.

1.6. Any other information deemed relevant by the applicant or requested by the division.

2. Information derived from well logs, including certain information in completion reports, stratigraphic cross sections, bottomhole pressure data, and other appropriate data provided in R649-3-35-1 will be held confidential in accordance with R649-2-11 at the request of the operator.

3. The division shall review the submitted information and advise the operator and the State Tax Commission of its decision regarding the wildcat well designation as related to Section 59-5-102(2)(d).

4. The division is responsible for approval of a request for designation of a well as a wildcat well. If the operator disagrees with the decision of the division, the decision maybe appealed to the board. Appeals of all other tax-related decisions concerning wildcat wells should be made to the State Tax Commission.

R649-3-36. Shut-in and Temporarily Abandoned Wells.

1. Wells may be initially shut-in or temporarily abandoned for a period of twelve (12) consecutive months. If a well is to be shut-in or temporarily abandoned for a period exceeding twelve

of any oil or gas well in a manner that causes reduction in the quantity of oil or gas ultimately recoverable from a reservoir under prudent and economical operations, or that causes unnecessary wells to be drilled, or that causes the loss or destruction of oil or gas either at the surface or subsurface.

The production of oil or gas in excess of:

Transportation or storage facilities.

The amount reasonably required to be produced in the proper drilling, completing, testing, or operating of a well or otherwise utilized on the lease from which it is produced.

Underground or above ground waste in the production or storage of oil or gas.

"Waste Crude Oil Treatment Facility" means any facility or site constructed or used for the purpose of wholly or partially reclaiming, treating, processing, cleaning, purifying or in any manner making nonmerchantable waste crude oil marketable.

"Well" means an oil or gas well, injection or disposal well, or a hole drilled for the purpose of producing oil or gas or both. The definition of well shall not include water wells, or seismic, stratigraphic test, core hole, or other exploratory holes drilled for the purpose of obtaining geological information only.

"Well Site" means the areas which are directly disturbed during the drilling and subsequent use of, or affected by production facilities directly associated with any oil well, gas well or injection well.

"Wildcat Wells" means oil and gas producing wells which are drilled and completed in a pool in which a well has not been previously completed as a well capable of producing in commercial quantities.

"Working Interest Owner" means the owner of an interest in oil or gas burdened with a share of the expenses of developing and operating the property.

"Workover" means any operation designed to sustain, to restore, or to increase the production rate, the ultimate recovery, or the reservoir pressure system of a well or group of wells and approved as a workover, a secondary recovery, a tertiary recovery, or a pressure maintenance project by the division. The definition shall not include operations which are conducted principally as routine maintenance or the replacement of worn or damaged equipment.

KEY:

oil and gas law

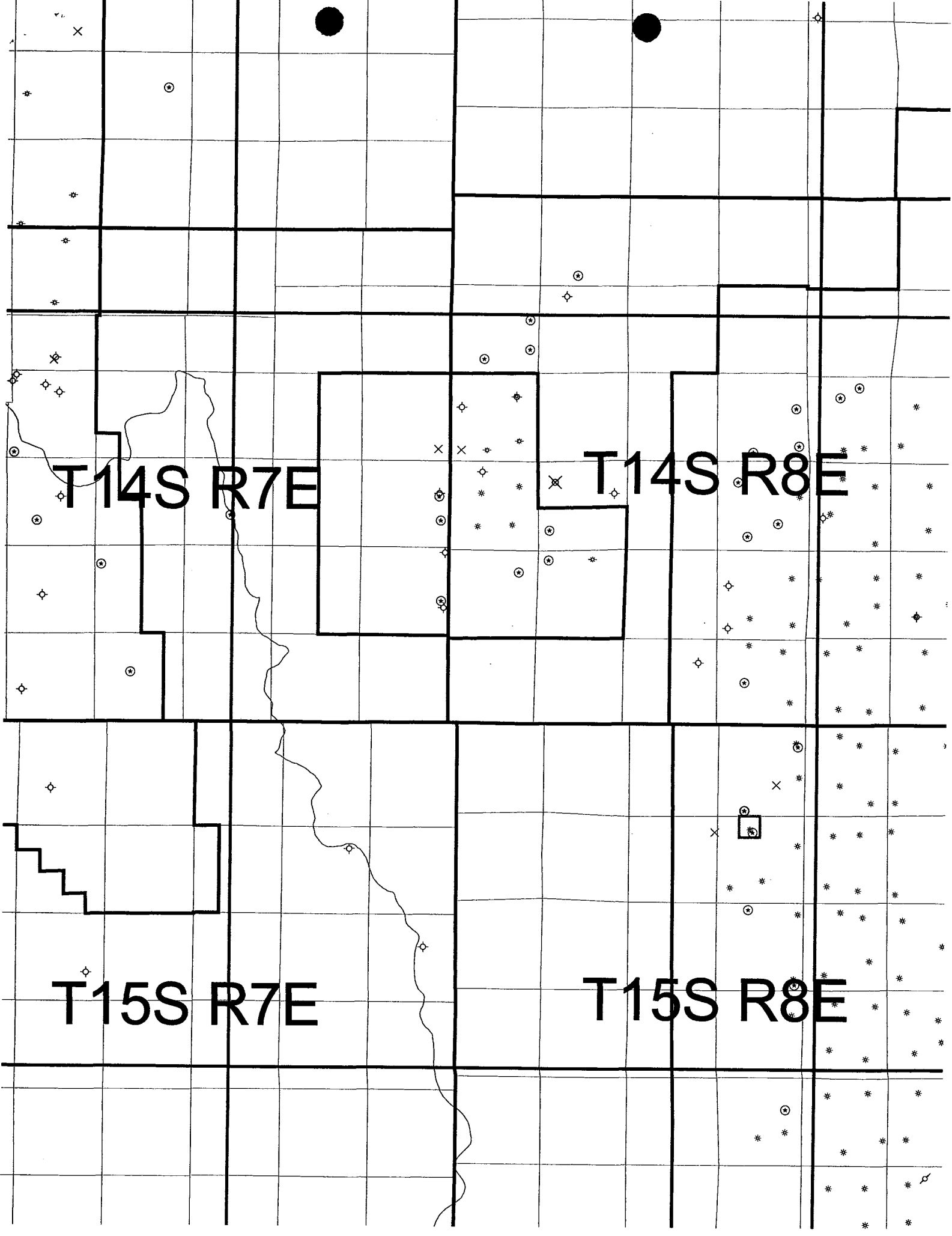
Date of Enactment or Last Substantive Amendment

June 2, 1998

Notice of Continuation

April 30, 1997

40-6-1 et seq.



T14S R7E

T14S R8E

T15S R7E

T15S R8E

Well Data

PRODUCTION VIEWS

PRODUCTION KEYS

API 4300730724

ENTITY

ACCOUNT

REPORT PERIOD: MM/YYYY

START PERIOD 01 1984

END PERIOD 2 2004

SORT ORDER

YEAR

API

ENTITY

ACCOUNT

SORT ORDER YEAR: API: ENTITY: ACCOUNT

API	ZONE	ACCOUNT	ENTITY	ONTH	YEAR	DAYS	OIL PROD	GAS PROD	WATER PR	WELL
4300730724	FRSD	N1325	13251	12	2002	19	0	14,162	0	GW
4300730724	FRSD	N1325	13251	1	2003	31	0	27,481	0	GW
4300730724	FRSD	N1325	13251	2	2003	28	0	28,360	0	GW
4300730724	FRSD	N1325	13251	3	2003	31	0	31,124	0	GW
4300730724	FRSD	N1325	13251	4	2003	26	0	27,064	0	GW
4300730724	FRSD	N1325	13251	5	2003	31	0	31,528	0	GW
4300730724	FRSD	N1325	13251	6	2003	30	0	30,233	0	GW
4300730724	FRSD	N1325	13251	7	2003	30	0	4,464	1,375	GW
4300730724	FRSD	N1325	13251	8	2003	31	0	7,074	7,500	GW
4300730724	FRSD	N1325	13251	9	2003	15	0	1,278	1,250	GW
4300730724	FRSD	N1325	13251	10	2003	31	0	1,400	2,400	GW
4300730724	FRSD	N1325	13251	11	2003	30	0	6,528	10,500	GW
4300730724	FRSD	N1325	13251	12	2003	31	0	6,199	9,450	GW

GET VIEW

CLEAR KEYS

COMMENTS

PRINT

EXPORT RECD

CLOSE

PRODUCTION SUMMARY: OIL / GAS / WATER

0

216,895

32,475

OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

1/1/2006

FROM: (Old Operator):
 N1325-Klabzuba Oil & Gas, Inc.
 700 17th St, Suite 1300
 Denver, CO 80202-3512
 Phone: 1-(303) 299-9097

TO: (New Operator):
 N2560-Fellows Energy Ltd.
 8716 Arapahoe Road
 Boulder, CO 80303
 Phone: 1-(303) 926-4415

CA No.

Unit:

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
GORDON CREEK ST 3-5-14-8	05	140S	080E	4300730932		State	GW	APD	C
GORDON CREEK ST 1-7-14-8	07	140S	080E	4300730902		State	GW	APD	C
GORDON CREEK ST 3-7-14-8	07	140S	080E	4300730903		State	GW	APD	C
GORDON CREEK ST 4-7-14-8	07	140S	080E	4300730904		State	GW	APD	C
GORDON CREEK ST 4-18-14-8	18	140S	080E	4300730881	13665	State	GW	S	
GORDON CREEK ST 1A-18-14-8	18	140S	080E	4300730892	13709	State	GW	P	
GORDON CREEK U 1	19	140S	080E	4300730044	13707	State	GW	P	
GORDON CREEK ST 19-14-8	19	140S	080E	4300730724	13251	State	GW	P	
GORDON CREEK ST 19-14-8 (B)	19	140S	080E	4300730807	13708	State	GW	S	
GORDON CREEK ST 1-19-14-8	19	140S	080E	4300730874	13646	State	GW	P	
GORDON CREEK ST 2-20-14-8	20	140S	080E	4300730883	13694	State	GW	TA	
GORDON CREEK ST 3-20-14-8	20	140S	080E	4300730905		State	GW	APD	C
BURNSIDE 29-14-8	29	140S	080E	4300730725	13250	Fee	GW	S	
GORDON CREEK ST 2-29-14-8	29	140S	080E	4300730906		State	GW	APD	C
GORDON CREEK ST 1-30-14-8	30	140S	080E	4300730875		State	GW	APD	C

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/28/20062. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/28/20063. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 5/25/20054. Is the new operator registered in the State of Utah: YES Business Number: 5589189-01435. If **NO**, the operator was contacted on:6a. (R649-9-2) Waste Management Plan has been received on: Requested 3/29/20066b. Inspections of LA PA state/fee well sites complete on: n/a

15-K

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
KLABZUBA OIL & GAS, INC.

3. ADDRESS OF OPERATOR: 700 17th St., Suite 1300 CITY Denver STATE CO ZIP 80202-3512 PHONE NUMBER: (303) 299-9097

4. LOCATION OF WELL
FOOTAGES AT SURFACE: SEE ATTACHMENT

COUNTY: CARBON

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
SEE ATTACHMENT

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

7. UNIT or CA AGREEMENT NAME:
N/A

8. WELL NAME and NUMBER:
SEE ATTACHMENT

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:
GORDON CREEK

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change of Operator from Klabzuba Oil & Gas, Inc. to Fellows Energy, Limited, effective January 1, 2006:

From: N1325
Klabzuba Oil & Gas, Inc.
700 17th Street, Suite 1300
Denver, Colorado 80202-3512

To: N2560
Fellows Energy, Limited
8716 Arapahoe Road
Boulder, Colorado 80303

(303) 299-9097

Stephen K. Frazier, Vice President

Date: 3-13-06

(303) 926-4415

Steven L. Prince, Vice President Operations

Date: 3-13-06

NAME (PLEASE PRINT) _____ TITLE _____
SIGNATURE _____ DATE _____

(This space for State use only)

APPROVED 3/29/06
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
MAR 28 2006

DIV. OF OIL

EXHIBIT "A"
SUNDRY NOTICES AND REPORTS ON WELLS

CHANGE OF OPERATOR FROM KLABZUBA OIL & GAS, INC. TO FELLOWS ENERGY, LIMITED, EFFECTIVE JANUARY 1, 2006

API #	Well Name	Description	Lease Serial Number
43-007-30044	Gordon Creek Unit #1	NW/4SE/4 of Section 19, T14S-R8E, SLB&M	ML-46539
43-007-30724	Gordon Creek State 19-14-8	SE/4NW/4 of Section 19, T14S-R8E, SLB&M	ML-27908
43-007-30725	Burnside 29-14-8	NW/4NE/4 of Section 29, T14S-R8E, SLB&M	
43-007-30807	Gordon Creek State 19-14-8(B)	NW/4SW/4 of Section 19, T14S-R8E, SLB&M	ML-27908
43-007-30874	Gordon Creek State 1-19-14-8	SE/4NE/4 of Section 19, T14S-R8E, SLB&M	ML-46539
43-007-30881	Gordon Creek State 4-18-14-8	SE/4SE/4 of Section 18, T14S-R8E, SLB&M	ML-46537
43-007-30883	Gordon Creek State 2-20-14-8	NW/4NW/4 of Section 20, T14S-R8E, SLB&M	ML-46539
43-007-30892	Gordon Creek State 1A-18-14-8	SE/4NE/4 of Section 18, T14S-R8E, SLB&M	ML-46537
43-007-30875	Gordon Creek State 1-30-14-8	NE/4NE/4 of Section 30, T14S-R8E, SLB&M	ML-46539
43-007-30902	Gordon Creek State 1-7-14-8	SE/4NE/4 of Section 7, T14S-R8E, SLB&M	ML-46537
43-007-30903	Gordon Creek State 3-7-14-8	SE/4SW/4 of Section 7, T14S-R8E, SLB&M	ML-46537
43-007-30904	Gordon Creek State 4-7-14-8	NE/4SE/4 of Section 7, T14S-R8E, SLB&M	ML-46537
43-007-30905	Gordon Creek State 3-20-14-8	SW/4SW/4 of Section 20, T14S-R8E, SLB&M	ML-46539
43-007-30906	Gordon Creek State 2-29-14-8	NW/4NW/4 of Section 29, T14S-R8E, SLB&M	ML-46539
43-007-30932	Gordon Creek State 3-5-14-8	SE/4SW/4 of Section 5, T14S-R8E, SLB&M	ML-46537

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

6/1/2007

FROM: (Old Operator): N2560-Fellows Energy, LTD 8716 Arapahoe Rd Boulder, CO 80303 Phone: 1 (303) 327-1515	TO: (New Operator): N3245-Gordon Creek, LLC 807 N Pinewood Cir Price, UT 84501 Phone: 1 (435) 650-4492
---	--

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/27/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/27/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 10/30/2007
- a. Is the new operator registered in the State of Utah: _____ Business Number: 6208039-0160
- b. If **NO**, the operator was contacted on: _____
- a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete on: 6/15/2007
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: _____
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: _____
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 10/15/2007

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 10/15/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/15/2007
- Bond information entered in RBDMS on: 10/15/2007
- Fee/State wells attached to bond in RBDMS on: 10/15/2007
- Injection Projects to new operator in RBDMS on: 10/15/2007
- Receipt of Acceptance of Drilling Procedures for APD/New on: 9/27/2007

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: _____
- Indian well(s) covered by Bond Number: _____
- a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0010790
- b. The **FORMER** operator has requested a release of liability from their bond on: not yet
The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/16/2007

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: See Attachment A
2. NAME OF OPERATOR: Gordon Creek, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 807 North Pinewood Circle CITY Price STATE UT ZIP 84501		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (435) 650-4492		8. WELL NAME and NUMBER: See Attached
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH		9. API NUMBER: See Att. A
		10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change of Operator from Fellows Energy, Ltd. to Gordon Creek, LLC effective June 1, 2007:

Bond # for Gordon Creek, LLC is RLB 0010790

From: Fellows Energy, Ltd. *N2560*
Steven L. Prince
Steven L. Prince, Vice President and Director
Date: 3 AUGUST 2007

To: Gordon Creek, LLC *N 3245*
By Thunderbird Energy Inc., its Managing Member
Cameron White
Cameron White, President
Date: AUGUST 3, 2007

NAME (PLEASE PRINT) _____ TITLE _____
SIGNATURE _____ DATE _____

(This space for State use only)

APPROVED 10115107
Earlene Russell
Division of Oil, Gas and Mining (See Instructions on Reverse Side)
Earlene Russell, Engineering Technician

RECEIVED
SEP 27 2007

DIV. OF OIL, GAS & MINING

Fellows Energy, LLC (N2560) to Gordon Creek, LLC (N3245)

well_name	sec	tpw	rng	api	entity	lease	well	stat	flag	unit	qtr_qtr	l_num	op no	zone
GORDON CREEK U 1	19	140S	080E	4300730044	13707	State	GW	P			NWSE	ML-46539	N2560	FRSD
GORDON CREEK ST 19-14-8	19	140S	080E	4300730724	13251	State	GW	P			SENE	ML-27908	N2560	FRSD
BURNSIDE 29-14-8	29	140S	080E	4300730725	13250	Fee	GW	S			NWNE	FEE	N2560	FRSD
GORDON CREEK ST 19-14-8 (B)	19	140S	080E	4300730807	13708	State	GW	S			NESW	ML-27908	N2560	FRSD
GORDON CREEK ST 1-19-14-8	19	140S	080E	4300730874	13646	State	GW	P			SENE	ML-46539	N2560	FRSD
GORDON CREEK ST 4-18-14-8	18	140S	080E	4300730881	13665	State	GW	S			SESE	ML-46537	N2560	FRSD
GORDON CREEK ST 2-20-14-8	20	140S	080E	4300730883	13694	State	GW	S			NWNW	ML-46539	N2560	FRSD
GORDON CREEK ST 1A-18-14-8	18	140S	080E	4300730892	13709	State	GW	P			SENE	ML-46537	N2560	FRSD
GORDON CREEK ST 4-7-14-8	07	140S	080E	4300731230		State	GW	APD	TRUE		NESE	ML-46537	N2560	
GORDON CREEK ST 1-7-14-8	07	140S	080E	4300731231		State	GW	APD	TRUE		SENE	ML-46537	N2560	
GORDON CREEK ST 3-7-14-8	07	140S	080E	4300731232		State	GW	APD	TRUE		SESW	ML-46537	N2560	
GORDON CREEK ST 3-20-14-8	20	140S	080E	4300731233		State	GW	APD			SWSW	ML-46539	N2560	
GORDON CREEK ST 2-29-14-8	29	140S	080E	4300731234		State	GW	APD	TRUE		NWNW	ML-46539	N2560	
GORDON CREEK ST 1-30-14-8	30	140S	080E	4300731235		State	GW	APD	TRUE		NENE	ML-46539	N2560	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-27908
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: GORDON CREEK, LLC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1179 E Main #345, Price, UT, 84501		8. WELL NAME and NUMBER: GORDON CREEK ST 19-14-8
PHONE NUMBER: 403 453-1608 Ext		9. API NUMBER: 43007307240000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1948 FNL 1886 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 19 Township: 14.0S Range: 08.0E Meridian: S		9. FIELD and POOL or WILDCAT: GORDON CREEK
		COUNTY: CARBON
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 7/17/2012	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input checked="" type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> APD EXTENSION
<input type="checkbox"/> SPUD REPORT Date of Spud:	OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> DRILLING REPORT Report Date:	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

A workover rig will be moved onto the well and the rods will be pulled from the well. The tubing will then be pulled and inspected for a suspected leak. The bad joint(s) of tubing will be replaced and tubing and rods will then be re-run. When we perform this workover, we may consider converting the pumping system from a screw type pump to an insert pump with pumpjack.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: July 12, 2012

By: *Derek Duff*

NAME (PLEASE PRINT) Barry Brumwell	PHONE NUMBER 403 453-1608	TITLE Vice President-Operations
SIGNATURE N/A	DATE 7/11/2012	

RECEIVED: Jul. 11, 2012

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-27908
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: GORDON CREEK ST 19-14-8	
2. NAME OF OPERATOR: GORDON CREEK, LLC	9. API NUMBER: 43007307240000	
3. ADDRESS OF OPERATOR: 1179 E Main #345, Price, UT, 84501	PHONE NUMBER: 403 453-1608 Ext	9. FIELD and POOL or WILDCAT: GORDON CREEK
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1948 FNL 1886 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 19 Township: 14.0S Range: 08.0E Meridian: S		COUNTY: CARBON
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 3/2/2013	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text" value="Wellhead Repair"/>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The 3" X 2" tubing swedge at the top of the wellhead has cracked and needs to be replaced. We will move a workover rig onto the well, remove the drive head and then pick up on the rod string and remove and replace the damaged part, then replace the drive head and put the well back on production.

**Accepted by the
Utah Division of
Oil, Gas and Mining**

Date: March 05, 2013

By: D. K. Quist

NAME (PLEASE PRINT) Barry Brumwell	PHONE NUMBER 403 453-1608	TITLE Vice President-Operations
SIGNATURE N/A		DATE 3/1/2013

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-27908
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: GORDON CREEK ST 19-14-8	
2. NAME OF OPERATOR: GORDON CREEK, LLC	9. API NUMBER: 43007307240000	
3. ADDRESS OF OPERATOR: 1179 E Main #345, Price, UT, 84501	PHONE NUMBER: 403 453-1608 Ext	9. FIELD and POOL or WILDCAT: GORDON CREEK
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1948 FNL 1886 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 19 Township: 14.0S Range: 08.0E Meridian: S	COUNTY: CARBON	
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/30/2015	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input checked="" type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <u>Change Surface Pumping Eq</u>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

We will move a workover rig with pump & tank onto location and kill the well with produced water. we will then the PCP style pump and rods from the well and inspect the rods for re-use. We will then pull the 2.375" tubing from the well and inspect the tubing for re-use. We will then re-run the 2.375" tubing to 3550', then run a 1.500" insert pump on the existing 3/4" rods and land the pump into the seating nipple. We will stroke and test the pump before rigging out the weorkover rig. We will then move on and install a 228 pump jack from inventory and start the well up at 10 SPM and bring the well back on as a Ferron gas producer.

Approved by the
March 26, 2015
Oil, Gas and Mining

Date: _____
 By: Derek Duff

NAME (PLEASE PRINT) Barry Brumwell	PHONE NUMBER 403 453-1608	TITLE Vice President-Operations
SIGNATURE N/A		DATE 3/23/2015